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SENATE BILL 112

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO INVESTMENTS; AMENDING THE INVESTMENT CLASSES THAT
MAY BE INVESTED IN WITH MONEY IN THE SEVERANCE TAX PERMANENT
FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-27-5 NMSA 1978 (being Laws 1983,
Chapter 306, Section 7, as amended) is amended to read:

"7-27-5. INVESTMENT OF SEVERANCE TAX PERMANENT FUND.--

A. The severance tax permanent fund shall be
invested in separate [~~differential rate and market rate~~]
investment classes as provided in this section.

B. "Differential rate investments", [~~are permitted~~
~~in Sections 7-27-5.3 through 7-27-5.5, 7-27-5.13, through~~
~~7-27-5.17, 7-27-5.22, 7-27-5.24 and 7-27-5.26 NMSA 1978 and~~]
which are intended to stimulate the economy of New Mexico and

.232780.1

1 to provide income to the severance tax permanent fund, are
2 permitted only for investments made pursuant to the following:

3 (1) Subsection F of Section 7-27-5.15 NMSA
4 1978; and

5 (2) prior to July 1, 2026, Sections 7-27-5.3
6 through 7-27-5.5, 7-27-5.13, 7-27-5.17, 7-27-5.19 through
7 7-27-5.22, 7-27-5.24, 7-27-5.26 and 7-27-5.27 NMSA 1978 and
8 Subsections A, E and G of Section 7-27-5.15 NMSA 1978.

9 C. "Market rate investments" are investments that
10 are not differential rate investments and are intended to
11 provide income to the severance tax permanent fund.

12 D. All [~~market rate investments and differential~~
13 ~~rate~~] investments shall be invested in accordance with the
14 Uniform Prudent Investor Act and shall be accounted for in
15 accordance with generally accepted accounting principles.

16 [~~B. In addition to the investment classes described~~
17 ~~in Subsection A of this section, the severance tax permanent~~
18 ~~fund shall be invested in loans to provide emergency economic~~
19 ~~relief to local governments as provided by Section 8 of this~~
20 ~~2020 act.~~]"