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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Memorial 29

**SHORT TITLE:** Condemning Invasion of Venezuela

**SPONSOR:** Romero/Roybal Caballero/Herrera/Chandler/Gurrola

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/6/26 **ANALYST:** Francis

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			Choose an item.
<b>Total</b>	<b>No fiscal impact</b>	<b>No fiscal impact</b>	<b>No fiscal impact</b>		Choose an item.	Choose an item.

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency or Agencies Providing Analysis  
State Investment Council

Agency or Agencies That Were Asked for Analysis but did not Respond  
Office of the Governor  
Attorney General

## SUMMARY

### Synopsis of House Memorial 29

House Memorial 29 (HM 29) is a memorial condemning the “Trump administration’s invasion of Venezuela” as unauthorized by the U.S. Congress and in violation of international law and calling on the administration to initiate a transition plan for an election. The memorial also calls on corporations to divest and end business activity in Venezuela until a democratically elected government is in place.

Copies of the memorial will be transmitted to the governor, the attorney general, the chair of the Legislative Finance Committee and the chair of the Courts, Corrections and Justice Committee.

## FISCAL IMPLICATIONS

Memorials do not contain appropriations and are not enforceable as state law.

SIC reports no exposure to Venezuela companies or related securities and so no impact on SIC investments or return. SIC notes that oil and gas companies that operate in New Mexico may also have operations in Venezuela and the tax and fee revenue they pay may affect SIC inflows of revenue.

## SIGNIFICANT ISSUES

HM29 finds that the January 3, 2026, operation in Venezuela where the U.S. military captured Venezuela's President and wife and brought them back to New York to face trial. As this was a use of the U.S. military in a sovereign country, HM29 contends the U.S. Congress should have been notified in advance as the constitutional body responsible for declarations of war and the decision of "when the United States will initiate hostilities against foreign sovereigns." HM29 also states that the operation was a violation of the United Nations Charter that states that member nations "refrain from the use of force against the territorial integrity or political independence of any nation." Both the United States and Venezuela are members of the United Nations. Because of the stated goals of the Administration to take control of oil and mineral resources, HM 29 insists on a full accounting of corporate and other nongovernmental actors' activity in the country and calls upon private U.S. corporations to cease doing business and investing in Venezuela.

The UN Charter, dated 1945, Article 2, paragraph 4, signed by both the U.S. and Venezuela:<sup>1</sup>

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

SIC provides background on divestment:

### **Divestment as a strategy for accountability**

According to the Institute for Mergers, Acquisitions, and Alliances (IMAA), there are several scenarios where divestment can be a good strategy. This can include risk management to avoid exposure to unpredictable markets or threats such as geopolitical uncertainty, creating bandwidth for new high-potential investments, portfolio simplification and operational streamlining, debt reduction, and cultural fit to correct any misalignment between an investor and a particular business unit.

### **In practice, divestment is often complex, and some are skeptical of its impact**

It is important to note that the publication from IMAA continues to explain that selling under pressure, due to activism or deteriorating performance, can lead to accepting a lower price and worse terms upon exiting an investment position.

A 2021 study from the Stanford Business School found that divestment can sometimes be a strategic pitfall. This is because divesting from companies often has little impact on their policies. At the same time, having exposure to certain companies ensures you have a seat at the table and optimally, a voice in the discussion when landmark decisions are made.

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<sup>1</sup> [UN Charter](#)

On the other hand, the same Stanford study points out that by selling stock in certain companies, you raise the cost of capital for the firm, effectively reducing the number of investment opportunities it has. If at the same time shares in more ethical companies are purchased, that lowers their cost of capital.

All of these factors, and many others, should be carefully considered before companies are mandated to divest from activities in Venezuela.

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