

LFC Requester:

Francis

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/5/2026 *Check all that apply:*
Bill Number: House Memorial 29 Original Correction
 Amendment Substitute

Sponsor: Rep. Andrea Romero **Agency Name and**
 CONDEMNING **Code Number:** 337 – State Investment Council
Short Title: INVASION OF **Person Writing Analysis:** Callaghan
Phone: 505-629-3888 **Email:** Molly.callaghan@sic.nm.gov

SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NFI	NFI	NFI	NR	

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HM 29 condemns the Trump administration's invasion of Venezuela, including the seizure of Nicolas Maduro and Cilia Flores and the occupation of Venezuela by United States military forces as unauthorized by the United State congress and a clear violation of international law. It asks that the Trump administration be called upon to promptly initiate a transition plan for the election of a legitimate democratic government in Venezuela, and requests that all United States corporations doing business in both New Mexico and Venezuela be called upon to divest all Venezuelan holdings and interests, cease all activities in Venezuela during the occupation of Venezuela by the United States, and refrain from doing business in Venezuela until a democratically elected government is in place.

FISCAL IMPLICATIONS

The State Investment Council's (SIC) core responsibility is to grow the funds under its management on behalf of New Mexicans and deliver returns that support essential public services and programs like universal childcare, public education from pre-k through college, and workforce development, among many others.

Upon portfolio review, it does not appear that the SIC has any direct investment exposure to Venezuela-based companies or related securities. Should the memorial pass, no changes are required of the agency's investments, and funds currently managed for New Mexicans by the SIC will remain unaffected and continue on their current growth trajectory.

That said, companies in the oil and gas industry that operate in New Mexico may also operate in Venezuela, such as Houston, Texas-headquartered Chevron, for example. According to the company's website, it has five onshore and offshore production projects in Venezuela. If we take this company, for example, SIC inflows are impacted by the company's New Mexico operations and the related taxes and payments it makes to the state. Without specific details around the called-for boycott, it is hard to predict exactly how a divestment from Venezuela or diminished investment returns from SIC portfolio companies with Venezuela holdings ultimately trickle down to impact SIC inflows or performance. A reasonable expectation for that impact would be very little to not at all.

SIGNIFICANT ISSUES

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.

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.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS