

LFC Requester:

Ortega, Antonio

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: 1/28/26 *Check all that apply:*
Bill Number: SB 114 Original Correction
 Amendment Substitute

Sponsor: Senator Pope **Agency Name and Code** 366-PERA
Short Title: INVESTMENT OWNERSHIP OF RESIDENTIAL PROPERTY **Number:** _____
Person Writing Anna Williams
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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		

(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:

SB 114 creates a new section of the New Mexico statutes to prohibit a hedge fund, private equity firm, corporation or other business from purchasing single-family residential property. Limited liability companies are excluded from the prohibition.

FISCAL IMPLICATIONS

Currently, PERA's investment portfolio is diversified based on the strategic goals of the Board of the Public Employees Retirement Association. The language could potentially impact PERA's investments, however, the intent of the legislation would need to be clarified to determine any potential impact.

SB114 should not have an impact to PERA's operating budget.

SIGNIFICANT ISSUES

It is unclear whether the legislation is intended to apply to PERA. PERA would need further information regarding whether PERA, PERA's investment managers or funds or businesses in which PERA invests are considered a "hedge fund, private equity firm, corporation or other business." The terms "purchasing" and "single family residence" would also benefit from further clarity. The act of renting or quickly renovating and reselling residential property is distinct from building investment property or engaging in pooling property to diversify income.

If the language is intended to apply to PERA, or other investment agencies within New Mexico, PERA is uncertain how this legislation would be enforced on global corporations or hedge funds that are not subject to the law of New Mexico. Further analysis is advisable on whether issues exist under the Interstate Commerce Clause of the United States Constitution.

Additionally, Article XX, Section 22 of the New Mexico Constitution provides in part that the PERA Board is empowered with the "...sole and exclusive fiduciary duty and responsibility for the administration and investment of the trust fund..." If the legislation is intended to regulate the investment decisions of the PERA Board, the legislation may face constitutional scrutiny.

PERFORMANCE IMPLICATIONS

SB114 will not affect PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The purchase of single-family residential properties by hedge funds, private equity firms and corporations will continue as allowed by existing law.

AMENDMENTS

None.