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SENATE BILL 275

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Anthony L. Thornton

AN ACT

RELATING TO PUBLIC FINANCE; ENACTING THE STRATEGIC BITCOIN
RESERVE ACT.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Strategic Bitcoin Reserve Act".

SECTION 2. [NEW MATERIAL] LEGISLATIVE FINDINGS.--The
legislature finds that bitcoin is increasingly being viewed by
states and other nations as a monetary tool to protect against
economic shocks and preserve purchasing power and that this
tool should be available for the same purposes for the people
of New Mexico.

SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
Strategic Bitcoin Reserve Act:

A. "bitcoin" refers to:

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1 (1) the decentralized digital currency
2 launched in 2009, based on Satoshi Nakamoto's whitepaper titled
3 *Bitcoin: A Peer-to-peer Electronic Cash System*; and

4 (2) the digital asset that is the basis of the
5 bitcoin exchange-traded product that is regulated by the
6 federal securities and exchange commission;

7 B. "digital asset" means virtual currencies,
8 cryptocurrencies, natively electronic assets, including
9 stablecoins and non-fungible tokens, and other digital-only
10 assets that confer economic, proprietary or access rights or
11 powers;

12 C. "exchange-traded product" means a financial
13 instrument that is approved by the federal securities and
14 exchange commission, the commodity futures trading commission
15 or the financial institutions division of the regulation and
16 licensing department that is traded on an American regulated
17 exchange and derives its value from an underlying pool of
18 assets, such as stocks, bonds, commodities or indexes;

19 D. "private key" means a unique set of
20 cryptographic data, used for signing transactions on a
21 blockchain, that is known to the owner of the unique element;

22 E. "qualified custodian" means a federally or
23 state-chartered bank, trust company or special purpose
24 depository institution or a company regulated by New Mexico
25 that custodies digital assets for approved exchange-traded

1 products; and

2 F. "secure custody solution" means a technological
3 product or blended product and service that has all of the
4 following characteristics:

5 (1) the cryptographic private keys that secure
6 digital assets are exclusively known and accessible by the
7 government entity;

8 (2) the cryptographic private keys that secure
9 digital assets are exclusively contained within an encrypted
10 environment and accessible only via end-to-end encrypted
11 channels;

12 (3) the cryptographic private keys that secure
13 digital assets are never contained, accessible or controllable
14 by a mobile communication device that can access the internet;

15 (4) any hardware that contains the
16 cryptographic private keys that secure digital assets is
17 maintained in at least two geographically diversified,
18 specially designated, secure data centers;

19 (5) the secure custody solution enforces a
20 multiparty governance structure for authorizing transactions,
21 enforces user access controls and logs all user-initiated
22 actions;

23 (6) the provider of the secure custody
24 solution has implemented a disaster recovery protocol that
25 ensures customer access to assets in the event the provider

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1 becomes unavailable; and

2 (7) the secure custody solution undergoes
3 regular code audits and penetration testing from audit firms,
4 and any identified vulnerabilities are promptly remedied.

5 SECTION 4. [NEW MATERIAL] STATE INVESTMENT IN BITCOIN.--

6 A. The state treasurer and the state investment
7 council may invest in bitcoin from the following funds:

- 8 (1) land grant permanent funds;
 - 9 (2) the severance tax permanent fund;
 - 10 (3) the tobacco settlement permanent fund; and
 - 11 (4) any other state fund deemed appropriate by
- 12 the state investment council.

13 B. The amount of public funds that the state
14 treasurer and state investment council may invest in bitcoin
15 shall not exceed five percent of the total amount of public
16 funds in that fund.

17 C. Any digital assets acquired by any of the funds
18 listed in Subsection A of this section shall be held:

- 19 (1) directly by the state treasurer or state
20 investment council through the use of a secure custody
21 solution;
- 22 (2) on behalf of the state by a qualified
23 custodian; or
- 24 (3) in the form of an exchange-traded product
25 issued by an investment company regulated by the federal

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1 securities and exchange commission or the federal commodity
2 futures trading commission.

3 D. If a digital asset can be loaned without
4 increasing the financial risk of the state, the state treasurer
5 or state investment council may loan the digital asset to bring
6 further return to the state through rules promulgated by the
7 state treasurer.

8 SECTION 5. [NEW MATERIAL] TRANSFER OF BITCOIN TO GENERAL
9 FUND--CONVERSION OF DIGITAL ASSETS.--All taxes or fees paid to
10 the state in bitcoin or any other digital asset shall be
11 transferred to the general fund within sixty days of receipt,
12 and the general fund shall reimburse with United States
13 currency whatever fund from which the qualifying digital asset
14 was transferred. All digital assets in the general fund that
15 are not bitcoin shall be converted to United States currency or
16 bitcoin pursuant to rules promulgated by the state treasurer.

17 SECTION 6. [NEW MATERIAL] RETIREMENT FUND INVESTMENTS.--
18 Trust funds held by the public employees retirement board and
19 the educational retirement board may invest in exchange-traded
20 products that have been registered by either the federal
21 securities and exchange commission, the United States commodity
22 futures trading commission or the securities division of the
23 regulation and licensing department.

24 SECTION 7. EFFECTIVE DATE.--The effective date of the
25 provisions of this act is July 1, 2025.

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