

LFC Requester:	Simon, Josph
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AGENCY BILL ANALYSIS - 2025 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: 1/30/25 *Check all that apply:*
Bill Number: SB 77 Original Correction
 Amendment Substitute

Sponsor: Senator Pope **Agency Name and Code:** 366-PERA
Short Title: PURCHASE OF SINGLE FAMILY HOMES **Number:** _____
Person Writing: Anna Williams
Phone: 505-259-8489 **Email:** Annae.williams@pera.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	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 77 creates a section of the New Mexico statutes to prohibit a hedge fund, private equity firm, corporation or other business from purchasing single-family residential property.

FISCAL IMPLICATIONS

Currently, PERA's 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.

SB77 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.

Furthermore, the language could prevent individual New Mexican's from owning their own primary residence under a corporate entity, such as an LLC. Additionally, this may cause issues with mortgage contracts and banking institutions, particularly in cases of foreclosure, but those questions would be more appropriate for other state agencies who regulate those entities.

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

SB77 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 property will continue as allowed by existing law.

AMENDMENTS

None.