

LFC Requester:

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: 2.18.2025 *Check all that apply:*
Bill Number: SB 413 Original Correction
 Amendment Substitute

Sponsor: Shannon D. Pinto **Agency Name and Code:** Economic Development Department 41900
Short Title: INVESTMENT IN NM PRIVATE EQUITY **Number:** _____
Person Writing: Sam Collins
Phone: 505.690.0394 **Email:** Sam.collins@edd.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 413 increases the investment cap of the severance tax permanent fund in New Mexico private equity funds or New Mexico businesses from 11 percent to 14 percent.

FISCAL IMPLICATIONS

The total assets in the severance tax permanent fund were \$10 billion as of June 30, 2024. Increasing the cap from 11 percent to 14 percent represents a difference in equity from \$1.2 billion to \$1.5 billion an increase of \$330 million.

SIGNIFICANT ISSUES

The increase from 11 percent to 15 percent provides the State Investment Council greater flexibility to invest severance tax permanent funds into New Mexico businesses and equity funds. As the state adopts policy to expand businesses in New Mexico there will be additional opportunities to invest in innovation and growth throughout the state.

There may not be immediate capacity for an additional \$330 million for investments in New Mexico equity funds and businesses; however, as opportunities grow in the state, SIC may use its discretion to increase those investments.

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