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HOUSE MEMORIAL 41

**54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

INTRODUCED BY

Matthew McQueen and Joanne J. Ferrary

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO UNDERTAKE A  
FEASIBILITY STUDY OF ESTABLISHING A STATE-OWNED BANK IN NEW  
MEXICO.

WHEREAS, small businesses in New Mexico have many of the  
same problems experienced by small businesses in other states  
in obtaining start-up financing; and

WHEREAS, there are needed infrastructure improvements that  
would enhance both the economic development and the well-being  
of New Mexico residents, including roads and bridges, water and  
air quality, broadband and other technology expansion and  
modernization of school buildings; and

WHEREAS, with two national laboratories and three research  
universities located in New Mexico, there is potential for new  
businesses in the technology transfer sector, but efforts to

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1 start up such businesses are hampered by a lack of venture  
2 capital in New Mexico; and

3 WHEREAS, there are many farmers in New Mexico who are  
4 getting older and want to retire, but younger individuals and  
5 families interested in agriculture cannot obtain the necessary  
6 financing to purchase farming operations; and

7 WHEREAS, cooperatives are a flexible, long-term business  
8 form characterized by democratic ownership through the workers  
9 and the communities in which they work and through which wealth  
10 is shared by a larger interest group; and

11 WHEREAS, in 1919, North Dakota founded the bank of North  
12 Dakota, a state-owned bank that provides lending programs, in  
13 collaboration with community banks, credit unions and global  
14 banks, to promote agriculture, commerce and industry and  
15 stimulate economic development; and

16 WHEREAS, in 2010, the Massachusetts growth capital  
17 corporation was formed, which provides capital and advice to  
18 small businesses; and

19 WHEREAS, at least twenty-two states have undertaken  
20 studies to determine the feasibility of state-owned banks as a  
21 way to stabilize state economies; provide governmental bodies  
22 with credit at lower costs, including reduced bond expenses;  
23 provide local businesses with greater access to credit; augment  
24 the lending capacity of community banks, credit unions  
25 and global banks; and contribute revenue to help fund state

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1 government so that extreme peaks and valleys in revenues are  
2 reduced; and

3 WHEREAS, a state-owned bank in New Mexico could help  
4 stabilize the state economy; provide governmental bodies with  
5 credit at lower costs, including reduced bond expenses; provide  
6 local businesses with greater access to credit; augment the  
7 lending capacity of community banks, credit unions and global  
8 banks; and contribute revenue to help fund state government so  
9 that extreme peaks and valleys in revenues are reduced; and

10 WHEREAS, the establishment of a state-owned bank in New  
11 Mexico could assist cooperatives in obtaining a stable source  
12 of funding to help enable long-term viability; and

13 WHEREAS, the establishment of a state-owned bank in New  
14 Mexico could result in keeping revenues local, safe and  
15 employed responsibly in the stewardship of public funds through  
16 nonpartisan governance and professional management;

17 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF  
18 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the legislative  
19 finance committee be requested to undertake a feasibility study  
20 during the 2019 interim of establishing a state-owned bank in  
21 New Mexico; and

22 BE IT FURTHER RESOLVED that the feasibility study include  
23 consideration of business infrastructure deficiencies that  
24 serve as barriers for enhancing economic and human potential in  
25 New Mexico; and

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1 BE IT FURTHER RESOLVED that the legislative finance  
2 committee consult stakeholders in the preparation of the  
3 feasibility study, including financial analysts, legal experts  
4 in public banking, bankers and public banking advocates and  
5 professionals; and

6 BE IT FURTHER RESOLVED that the legislative finance  
7 committee present a report on the results of its study to the  
8 appropriate interim legislative committees by October 1, 2019;  
9 and

10 BE IT FURTHER RESOLVED that copies of this memorial be  
11 transmitted to the chair and vice chair of the legislative  
12 finance committee and the director of the legislative finance  
13 committee.

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