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SENATE MEMORIAL 5

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

INTRODUCED BY

Jeff Steinborn and Dayan Hochman-Vigil

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

WHEREAS, there are many farmers in New Mexico who are
getting older and want to retire, but younger individuals and
families interested in agriculture cannot obtain the necessary

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1 financing to purchase farming operations; and

2 WHEREAS, cooperatives are a flexible, long-term business
3 form characterized by democratic ownership through the workers
4 and the communities in which they work and through which wealth
5 is shared by a larger interest group; and

6 WHEREAS, in 1919, North Dakota founded the bank of North
7 Dakota, a state-owned bank that provides lending programs to
8 promote agriculture, commerce and industry and stimulate
9 economic development; and

10 WHEREAS, in 2010, Massachusetts created the Massachusetts
11 growth capital corporation, which provides capital and advice
12 to small businesses; and

13 WHEREAS, at least twenty-two states have undertaken
14 studies to determine the feasibility of state-owned banks as a
15 way to stabilize state economies, provide local businesses with
16 greater access to credit, augment the lending capacity of
17 private banks and contribute revenue to help fund state
18 government; and

19 WHEREAS, a state-owned bank in New Mexico could help
20 stabilize the state economy, provide local existing and start-
21 up businesses with greater access to credit, support local
22 economic development, augment the lending capacity of private
23 banks in New Mexico and contribute revenue to help fund state
24 government; and

25 WHEREAS, the establishment of a state-owned bank in New

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1 Mexico could assist cooperatives in obtaining a stable source
2 of funding to help enable long-term viability; and

3 WHEREAS, the establishment of a state-owned bank in New
4 Mexico could result in an increase in the responsible
5 stewardship of public funds;

6 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
7 OF NEW MEXICO that the legislative finance committee be
8 requested to undertake a feasibility study during the 2019
9 interim of establishing a state-owned bank in New Mexico; and

10 BE IT FURTHER RESOLVED that the legislative finance
11 committee present a report on the results of its study to the
12 appropriate interim legislative committees by October 1, 2019;
13 and

14 BE IT FURTHER RESOLVED that copies of this memorial be
15 transmitted to the chair and vice chair of the legislative
16 finance committee and the director of the legislative finance
17 committee.