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
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
going older and want to retire, but younger individuals and
families interested in agriculture cannot obtain the necessary
financing to purchase farming operations; and

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

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

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

WHEREAS, at least twenty-two states have undertaken
studies to determine the feasibility of state-owned banks as a
way to stabilize state economies; provide governmental bodies
with credit at lower costs, including reduced bond expenses;
provide local businesses with greater access to credit; augment
the lending capacity of community banks, credit unions
and global banks; and contribute revenue to help fund state
government so that extreme peaks and valleys in revenues are reduced; and

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

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

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

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

BE IT FURTHER RESOLVED that the feasibility study include consideration of business infrastructure deficiencies that serve as barriers for enhancing economic and human potential in New Mexico; and
BE IT FURTHER RESOLVED that the legislative finance committee consult stakeholders in the preparation of the feasibility study, including financial analysts, legal experts in public banking, bankers and public banking advocates and professionals; and

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

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