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HOUSE MEMORIAL 41

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

INTRODUCED BY

Matthew McQueen

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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