



Legislation Text

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CITY of ALBUQUERQUE
TWENTY FOURTH COUNCIL

COUNCIL BILL NO. M-20-6 ENACTMENT NO. _____

SPONSORED BY: Diane Gibson, Pat Davis, Lan Sena, and Brook Bassan

MEMORIAL

Urging The New Mexico State Legislature To Establish A State Public Bank, Owned By And For The People Of New Mexico, During The 2021 Legislative Session (Gibson, Davis, Sena, Bassan)

WHEREAS, a state public bank established and chartered in the state of New Mexico would be a publicly-owned financial institution to improve the use and management of the state's funds for investment within New Mexico and fulfill the need for alternative affordable lending resources for local business and non-profit organizations; and

WHEREAS, the taxpayers of New Mexico desire and require responsible and equitable use of public funds for public benefit and accountability in their financial system, and a New Mexico Public Bank would operate according to state and federal financial and banking laws; and

WHEREAS, an independent governing board will ensure that the management is sound and the board members will consist of New Mexico residents and have clearly demonstrated personal and professional integrity and impartiality, be very familiar with the needs of our communities, and a portion of which must have sound financial industry banking experience; and

WHEREAS, all investment practices will be in keeping with the state public bank's mission and its management and staff, who are banking professionals, are overseen by a governing board of directors, and its policies and reporting requirement assure compliance and transparency for how public funds are managed; and

WHEREAS, investing in a state public bank will enhance the economic stability of New Mexico's citizens and improve the vitality and viability of New Mexico's communities and

economic sectors by leveraging gross receipts for the public good; and

WHEREAS, a state public bank encourages the growth of locally-owned banks and credit unions with their partnership and by offering low cost partnership “gap” loans; and

WHEREAS, a state public bank promotes the state’s public and private economic well-being, enhances human and social capital, builds and reinvests in a strong economic infrastructure that complements economic and environmental goals, especially in under-served communities; and

WHEREAS, because public banks are created in the interest of the state’s citizens, they can invest in community development and economic diversification projects, and promote public/private partnerships that enhance affordable housing, renewable energy, agricultural development, and other needed infrastructure; and

WHEREAS, New Mexico needs a more robust and diversified economy to balance the volatile revenue from oil and gas production that are subject to significant market swings; and

WHEREAS, a public bank owned by and created for New Mexicans will provide greater transparency and lower lending costs to the state and local governments compared to for-profit banks; and a public bank will partner with community banks, credit unions, and community development financial institutions (CDFIs), would keep taxpayer dollars in New Mexico, and has been endorsed by the Credit Union Association of New Mexico; and

WHEREAS, a public bank can direct New Mexico’s investment decisions to support and diversify the economy, and it can facilitate additional goals, in eco-tourism, food security, broadband expansion, health clinic upgrades, and clean energy infrastructure projects; and

WHEREAS, a public bank chartered in New Mexico, and approved by the legislature and Governor, could lower financing and debt service costs to the City of Albuquerque, while supporting local community development efforts; and

WHEREAS, public banking is the preferred model of public development in many high-achieving economies throughout the world, in both developed and developing countries, and state and cities in the U.S. are now introducing and passing laws to charter public banks; and

WHEREAS, as the City, State, and country rebuild in the wake of the COVID-19 pandemic, a state public bank could be particularly helpful as a financial too to assist small-and medium-sized local businesses to survive and grow; and

WHEREAS, the Bank of North Dakota, a public bank founded in 1919, has helped the state’s residents weather recessions, including the current recession created by the COVID-19 pandemic, and has provided hundreds of millions of dollars to North Dakota’s treasury; and

WHEREAS, what was a good idea previously is all the more important as a tool the State could use to keep local funding in the State and to put dollars to work where the need is greatest with locally-owned small- and medium-sized businesses that experienced the most negative impacts from the pandemic, due to a jump in online purchases.

BE IT MEMORIALIZED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE:

Section 1. The Council urges the New Mexico State Legislature to establish a state public bank owned by and for the people of New Mexico.

Section 2. The Clerk of the City Council is directed to transmit a copy of this Memorial to the Governor of New Mexico, leadership of the House and Senate, Albuquerque legislative delegation, and the New Mexico State Treasurer.