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HOUSE MEMORIAL 7

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

Linda M. Trujillo and Joanne J. Ferrary

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO UNDERTAKE A STUDY OF WAYS IN WHICH THE RESOURCES OF THE NEW MEXICO FINANCE AUTHORITY MIGHT BE MADE MORE ACCESSIBLE TO PERSONS AND BUSINESSES IN NEW MEXICO, INCLUDING THE OPTION OF FORMING A STATE-OWNED BANK.

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 a 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

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

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

8 WHEREAS, in 2010, Massachusetts created the Massachusetts
9 Growth Capital corporation, which provides capital and advice
10 to small businesses; and

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

17 WHEREAS, the New Mexico finance authority has substantial
18 financial resources that might be made more readily available
19 to assist small businesses in New Mexico; and

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

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