

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2020-45

INTRODUCED BY:

Mayor Alan Webber

Councilor Renee Villarreal

Councilor Jamie Cassutt-Sanchez

Councilor Signe I. Lindell

Councilor Carol Romero-Wirth

A RESOLUTION

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.

WHEREAS, a state public bank could improve the state’s use and management of its funds for investment within New Mexico; and

WHEREAS, a state public bank could make this investment in a way that both (i) enhances the vitality and viability of New Mexico’s communities and economic sectors – including increasing the potential for locally-owned banks and credit unions, and (ii) advances the state’s public and private economic and community well-being by increasing its human and social capital, building its infrastructure, and regenerating its natural assets; and

WHEREAS, public banks offer a mechanism for governmental entities such as cities, counties, tribes, and states to deposit and invest their revenues in a public institution that allows them to more directly and efficiently invest those funds within the state to address priority needs; and

1 **WHEREAS**, because public banks are created in the public interest rather than to
2 maximize profit for individuals, they can invest in community development and economic
3 diversification projects, like affordable housing, renewable energy, agricultural development, and
4 other needed infrastructure programs that enhance public wealth; and

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

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

11 **WHEREAS**, New Mexico relies upon out-of-state investors to finance capital
12 infrastructure and the City of Santa Fe recognizes the need to increase access to capital for small
13 businesses, community development, and public infrastructure; and

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

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

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

24 **WHEREAS**, a public bank can grow New Mexico’s general fund and direct New Mexico’s
25 investment decisions to support and diversify the economy, and it can facilitate additional goals, in

1 eco-tourism, food security, broadband expansion, health clinic upgrades, and clean energy
2 infrastructure projects; and

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

6 **WHEREAS**, in 2017 the Governing Body adopted Resolution No. 2017-32, which created
7 a Task Force to “determine the procedures, timelines, and requirements that would be necessary to
8 establish a chartered public bank...”; and

9 **WHEREAS**, that Task Force was appointed in June, 2017, and provided a final report to
10 the Governing Body on May 9, 2018; and

11 **WHEREAS**, the Task Force found that a public bank that was limited to the City of Santa
12 Fe’s financial assets would not provide the envisioned benefits, while a public bank at the state
13 level would be a more viable alternative; and

14 **WHEREAS**, the Governing Body adopted Resolution No. 2018-62 on October 10, 2018,
15 that established the Governing Body’s support for a State Constitutional Amendment that would
16 allow for the creation of a state public bank; and

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

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

24 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
25 **CITY OF SANTA FE** that the Governing Body urges the New Mexico State Legislature to

1 establish a state public bank owned by and for the people of New Mexico.

2 **BE IT FURTHER RESOLVED** that a copy of this Resolution be provided to the
3 Governor of New Mexico, leadership of the House and Senate, Santa Fe legislative delegation,
4 New Mexico State Treasurer, New Mexico State Auditor, Board of the New Mexico State
5 Investment Council, Board of the New Mexico Finance Authority, leadership of the Legislative
6 Finance Council, and the Director of the Financial Institutions Division of the Regulation and
7 Licensing Department.

8 PASSED, APPROVED, and ADOPTED this 9th day of December, 2020.

9
10 

11 ALAN WEBBER, MAYOR

12 ATTEST:

13
14 
15 YOLANDA Y. VIGIL, CITY CLERK

16 APPROVED AS TO FORM:

17
18 
19 ERIN K. McSHERRY, CITY ATTORNEY

20
21
22
23
24
25 *Legislation/2020/2020-45 Resolutions/State Public Bank Support*