



Current New Mexico Legislation (Feb 2021):

[HB 236 / SB 313 Public Banking Act](#)

HB 236 is sponsored by Rep. Patricia Roybal Caballero.

SB 313 is sponsored by Senator Jeff Steinborn.

The two bills are identical companion bills. These bills authorize creation of a public bank owned by the state of New Mexico that could finance New Mexico's infrastructure projects, energy projects, small businesses, and economic development. It invests public funds (taxes and fees) and keeps them circulating in the state. It works in partnership with community banks, credit unions, and Community Development Financial Institutions to make loans that enhance local communities. Money which currently goes to debt service on bonds with out-of-state banks and to their investors remains in New Mexico for reinvestment. Pro Forma assumptions include \$50 million in deposits to be moved to the public bank from Wells Fargo accounts in the first year, providing estimated ability to lend \$44 million during the first year of operation bringing returns by the end of second year. Additional deposits would be transferred to the public bank in succeeding years to meet increasing liquidity demands.

The argument we continue to hear is that a public bank will compete with community banks. This is simply not true. Retake recommends sharing this piece with your legislator and reinforcing how a public bank would significantly improve the capacity of community banks and credit unions to make loans to small businesses in their community because rather than competing with the community banks, the Public Bank would be able to inject added capital into local community initiatives and small business ventures.

[Click here to review HB 236 bill language.](#)

HB 236 Committee Path: House Economic and Community Development (HECD), then House Judiciary.

For SB 313 Committee Path and Bill Language see the Senate bill section below. Scheduled for Feb 17, 2021 in HECD.