



**Alliance for Local  
Economic Prosperity**

*Keeping Our Public Funds Safe, Local and Working*

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## **New Public Banking Act Aims to Help New Mexico Succeed** *It's time for New Mexico to put its money to use to help New Mexicans*

Santa Fe, New Mexico – February 1, 2021 – The New Mexico Public Banking Act, introduced today, will ensure that New Mexico’s money can be used to help New Mexicans.

Today, New Mexico state Sen. Jeff Steinborn (D-Las Cruces), introduced the Act. Rep. Patricia Roybal Caballero (D-Albuquerque), and Rep. Liz Thomson (D –Albuquerque) are primary supporters of the Act in the House.

SB313, titled the New Mexico Public Banking Act, would allow New Mexico to charter a public bank to expand the state's ability to support local economies. The bill’s sponsors point to the economic opportunities a state public bank would bring for small businesses across New Mexico.

“Now, more than ever New Mexico’s economy needs a shot in the arm,” said bill sponsor, Sen. Steinborn, “Our state’s economic stability, growth and resilience will be dependent on smart and diverse strategies taken by our leaders going forward. This bill benefits all New Mexicans.”

The bill seeks to retain public funds that the state pays to Wall Street banks in fees, as well as depositing dollars in New Mexico.

The act does not create a retail bank or compete with local banks or credit unions. Instead, it aims to help them grow in New Mexico.

**What is it?** A Public bank is different from your corner bank. You can’t deposit a check or get a loan there, but your city, county, or even university could. Why not pay ourselves?

**Why now?** New Mexico’s needs are growing, and by keeping our money here and reinvesting it here, we can invest in the projects we need to support small business and community development across the spectrum – from the high tech entrepreneur to the chile farmer.

**How would it work?** Much like a business has a bank that it uses for all of its needs, so does the state. The only difference with a public bank is that it would be managed by an independent board.

**How much would it cost?** Nothing, and in fact it will make money. The state would move money from its current accounts to the public bank.

**How much would it save?** A lot. The state pays millions in fees every year to big banks just to oversee our money. Those millions can be kept working for us, here.

**Who would it help?** Your community, your small business, your schools, and your city.

**Is this idea new?** Nope. North Dakota has a public bank. So do many countries, such as Germany.

A public bank would simply be a steward of the state's money that is owned here, and overseen by us. The Public Bank shall partner with community banks, credit unions and Community Development Financial Institutions to provide lower cost financing for public and private projects.

"We have gained the support of many groups and individuals from across New Mexico," said Angela Merkert, the Executive Director of the Alliance for Local Economic Prosperity, the Public Bank Think Tank, "New Mexicans are realizing that we need to radically rethink New Mexico's finance system in order to benefit more fully from it."

The City Councils of Albuquerque, Las Cruces and Santa Fe, as well as the Santa Fe County Commission, have passed resolutions and memorials in support of a public bank for New Mexico. AFLEP's statewide coalition includes businesses, associations, such as the Credit Union Association of New Mexico, and several chambers of commerce.

See more of the benefits of a public bank at [aflep.org](http://aflep.org).

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