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**To:** [HBL Exhibits](#)  
**Cc:** [Rep Barker](#)  
**Subject:** Support for public banking and HB 3029  
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Chair Barker and Members of the House Committee on Business and Labor:

Thank you for taking time to consider HB 3029 which would help Oregon cities lower their overall costs of service delivery and reduce their financial risk by allowing them to escape the big-bank stock market casino.

The concept in HB 3029 is to help clarify statutory language making it explicit that municipalities in Oregon are able to pursue the formation of publicly owned banks should they determine it makes sense for their community. As I have learned more about public banking internationally (many of the world's largest banks are publicly owned) and domestically (the Bank of North Dakota) it has become clear that there are many reasons why communities think that public ownership of their financial future *does* make sense. From local control over how their money is leveraged, to reducing derivative-based risks inherent in the money-center banks, to keeping money within their region, to small business development, to banking the underbanked there are so many positive aspects to public banking. Personally, as someone familiar with local government budgets, I am excited about the prospect of lowering debt costs for public entities.

When a city, county, or school district in Oregon issues a bond to invest in expanding or updating our aging infrastructure almost half of the overall funds are sent directly out of state and become profit for some of the richest Americans. These debt payments can run into the tens or even hundreds of millions of dollars. This is money that is needed here in Oregon and could be being reinvested in businesses and organizations that would build prosperity within our state.

HB 3029 would modify the current requirement in Oregon Statute that all state-chartered banks carry FDIC insurance. FDIC insurance is an important consumer protection for banks that take individual deposits. However, for many models of publicly owned banks where the bank does not take deposits from individual consumers (only governmental entities), it does not make sense to use FDIC insurance. HB 3029 also creates clarity around the process by which a municipal corporation could secure a state charter. These changes help smooth the path for cities in Oregon to move forward with this financial tool to keep their costs low while continuing to provide service to their residents. Oregon should join the cities and states across the country that are moving towards public banking and this bill is one important way to join that movement.

Thank you for your consideration of this important issue!

James Ofsink