



The League of Women Voters of Oregon is a 102-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 22, 2022

To: [House Committee on Rules](#)
[Rep. Barbara Smith Warner](#), Chair

Re: [HJR 205](#) – Public Banking Constitutional Amendment Referral – **Support**

Proposes amendment to Oregon Constitution to specify that section restricting certain banks does not prohibit establishment of bank owned or operated by State of Oregon. Refers proposed amendment to people for their approval or rejection at next regular general election

[The League of Women Voters U.S. Privatization Position states](#) “that when governmental entities consider the transfer of governmental services, assets, and/or functions to the private sector, the community impact and goals of such transfers must be identified and considered. Further, the League believes that transparency, accountability, and preservation of the common good must be ensured.

Here are reasons via [a LWVWA study](#) and resulting position why a private-sector bank’s management of public funds may not meet the U.S. League’s Privatization position (paraphrased):

- 1) The state and/or local governments do not receive an “adequate” return on investment (ROI) from their public funds deposited in private sector banks;
- 2) The public sectors do not have control over the leveraged investment by private-sector banks (no targeted or long-term investment) and there is no guarantee that bank investments will remain in Oregon;
- 3) There is not enough transparency to demonstrate what level of risk the private-sector bank managing public funds would be taking; and
- 4) Although public funds have been entrusted to private-sector banks, the arrangement does not appear to have sufficiently benefitted the states and municipalities.

The League supports the concept of a public bank, in some cases public funds could generate a greater return on investment than they would with government municipal and corporate bonds and federal certificates of deposit. This resolution, if passed, would create a timely legislative referral to the ballot. Basically, asking Oregon citizens to consider this important public banking policy topic.

Please support this important step which begins the conversation about the potential to improve how public funds are visible, managed and invested for the common good.

Rebecca Gladstone
LWVOR President

Claudia Keith
LWVOR Climate Emergency Coordinator

Josie Koehn
LWVOR Revenue Coordinator