

HB 2763 -1 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/16, 3/9

WHAT THE MEASURE DOES:

Establishes the State Public Bank Task Force. Directs Task Force to study and make recommendations regarding the establishment of a state public bank and to submit a report with findings and recommendations to committees of the Legislative Assembly. Sunsets January 2, 2025. Declares emergency, effective on passage.

NOTE - measure has a subsequent referral to the Committee on Ways and Means

ISSUES DISCUSSED:

- Other states considering state public bank model
- Constitutionality questions
- Whether state public bank would compete with private institutions
- Types of loans that state public bank would be likely to make
- State public bank could make decisions informed by state policies on climate and housing

EFFECT OF AMENDMENT:

-1 Adds members to Task Force representing persons with experience in lending for small business development and expertise in residential mortgage lending.

FIS: Fiscal statement issued on measure w/the -1 amendment

RIS: No revenue impact on measure w/the -1 amendment

BACKGROUND:

North Dakota is currently the only state that operates state public banks, having begun the institutions in the early 20th Century as a way to offer farmers loans at more favorable rates than those charged by commercial banks. As a concept, a state public bank can be given a mission to invest in public priorities, and can offer consumer benefits such as 'no fee' banking and transactions and limits or prohibitions on overdraft fees. The Federal Deposit Insurance Corporation (FDIC) would insure the deposits in public banks and guarantee their soundness in a manner similar to commercial banks.

House Bill 2763 establishes a 21-member State Public Bank Task Force, with four legislators appointed by the presiding officers and 17 Oregonians appointed by the Governor with experience and expertise in a variety of areas related to banking, finance, business and government. The Task Force would be charged with examining possible governing structures, means of capitalization, and potential benefits and harms to state and local jurisdictions and private industries. The Legislative Policy and Research Office is tasked with providing staff support for the Task Force.