Chair Grayber, Vice Chairs Lewis and Tran and members of the committee.

I am in support of HB 2763 to establish a task force to study a public bank in Oregon. We have attempted to establish a public bank in the past and seem to run into a problem of semantics in the Oregon Constitution. We can only interpret what the framers of the constitution meant. The Oregon Public Banking Alliance provides a detailed discussion of the historical situation which is well worth the time to read. I agree that the concept we now refer to as public or green bank is not included because we will not allow a public bank to print money in Oregon. This apparently was a possibility that the founders wanted to ensure against. Unimaginable today.

What is imaginable today is a future with a public bank that specializes in supporting the public benefit. We often hear the phrase 'people and planet over profit'. I do not interpret that as no profit but as profit made secondary to the benefit for the people and for our quality of environment and habitat.

Imagine a bank that could accept Federal IRA funds and hold them while we the people coordinate project goals, scope and timelines to get the most benefit from each dollar. Imagine a bank that could give low interest loans to help rebuild after a wildfire, to replace an old inefficient HVAC system with a high efficiency heat pump system, to develop affordable housing.

North Dakota has had a public bank sine 1919. "When banks heartlessly foreclosed on farmers, they organized the Non-Partisan League. After farm to farm organizing … the Bank of North Dakota (BND) was established. Today BND is thriving with loans to businesses, farms and more recently to students and to assist home owners with mortgages. And the state's local banks are thriving as well. This is because BND does participation loans with local banks." https://masspublicbanking.org/learn-more-about-public-banking/#.Y-512xClaf0

"BND uses US dollars, but hardly ever borrows from the Federal Reserve, which entails interest. Instead, the Bank acts as a central bank for the state, receiving all state revenues, and partnering with community banks on locally-originated business loans. It does not take individual deposits, which are the business of local banks. BND also has large student loan and homes programs. Interest rates are relatively low, and if, say, the state assumes 60% of a loan, it also gleans 60% of the profit when the loan is paid back. The local bank gets to keep its 40% share of the profit as

well as the fee for lining up and checking out the borrower. So the local bank gets to make loans and modest profit which otherwise it could not make because it wouldn't have had enough money."

"Because BND collects profits from local partnership loans, and doesn't have to pay interest to the Fed or Wall Street banks, the state budget regularly runs a surplus enabling it to reduce citizen taxes. It is the only state with no bank failures during the 2008 national and world banking crisis. And the system is great for community banks where people deposit their money—North Dakota has four times as many local banks and credit unions per capita compared to the US as a whole."
https://masspublicbanking.org/learn-more-about-public-banking/banking-in-nine-words/

Let's join Massachusetts, California, and others and look closely at public banks. This could be the best way to support our family owned farms and invest in Oregon's clean energy future. A public bank could also help overcome the damage done by red lining and help low income communities get the support they need to build wealth. Public banks seem to me to have the potential to ease the burden of managing rebate and tax credits the legislature approves as incentives. This would reduce administrative cost while still providing incentives with low interest loans. Would that work? We need a study to know.

Please pass HB 2763 out of committee with a do pass recommendation.