

HB 2966 -1, -3 STAFF MEASURE SUMMARY

House Committee On Commerce and Consumer Protection

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/28, 3/6

WHAT THE MEASURE DOES:

The measure establishes the State Public Finance Task Force. The Task Force would be charged with examining methods that public bodies use to invest their funds, look for cost savings by using public financing practices, explore governing and corporate structures for public financing entities, and explore means of capitalizing public financing entities. The State Treasurer is tasked with providing staff support for the Task Force. The measure requires the task force to submit a report with findings and recommendations to committees of the Legislative Assembly. Sunsets January 2, 2028. Declares emergency, effective on passage.

Financial Impact: Impact Statement posted

Revenue Impact: No Revenue Impact

ISSUES DISCUSSED:

- the effects of a public bank on the other financial institutions.
- the constitutionality of a public bank in Oregon

EFFECT OF AMENDMENT:

-1 The amendment requires that the methods taken by the task force ensure that credit unions and community banks are not financially or competitively harmed by the task force and ensure public data privacy and security.

-3 The amendment adds two members to the task force. the treasurer would appoint four members including a member with experience in management of a credit union, a member with experience in management of a community development financial institution, a member with experience in public banking law, and a representative of the office of the State Treasurer. the governor would appoint 8 members, removing the credit union, community development, and public banking members who would be appointed by the treasurer and adding a member with experience building public-private partnerships. the amendment removes student loan and agricultural loans to incentivize sustainable farming practices from the topics the task force must explore for coast savings. the amendment requires the final report be due before December 31, 2026.

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.