



Date: Tuesday, January 28, 2025

To: House Committee on Commerce and Consumer Protection

From: Rohan Grey, Director, Public Money Action

Subject: Support for House Bill 2966

Chair Sosa, Vice Chairs Chaichi and Osborne, and Esteemed Members of the Committee:

My name is Rohan Grey. By day I am an Oregonian law professor that teaches courses on money, public finance, and the regulation of banks and payment systems. Today, however, I am here in my capacity as the co-director of Public Money Action, a national advocacy organization that promotes financial reform in the public interest.

In that role, I have worked with federal, state, and local elected representatives to draft legislation to establish public banking infrastructure, regulate cryptocurrencies, and provide emergency relief to municipal bond markets during the COVID-19 Pandemic. I also direct the independent Oregon Public Banking Legal Working Group, comprising students, financial market practitioners, and researchers from a range of academic fields.

I write today in support of House Bill 2966, which would kickstart an urgent and overdue process of review and reform of Oregon's public investment, financing, and banking infrastructure.

This bill comes at a critical time, with federal-state relations entering uncharted territory, and traditional federal financing arrangements increasingly at risk. At the same time, states like California, Kentucky, and Tennessee are designing new public lending institutions, while others like Wyoming have begun exploring the potential for distributed ledger and other cryptocurrency technologies to improve consumer payments.

These developments are part of a rich history of sub-federal public sector financial innovation, from the City of Detroit issuing its own paper money to pay African American municipal sanitation workers during the Great Depression, to North Dakota establishing a state public bank over a century ago to manage its public monies and backstop its existing commercial and community banking sector.

The Oregon Public Legal Working Group explored this history in detail in 2023, through a 3-day conference held across the street at Willamette University. The conference was co-hosted by the Business School, Economics Department, and Law School, in conjunction

with the Willamette Law Review, which published an edited volume last year from the proceedings.

Perhaps the most impactful output of that conference, which brought together bankers, historians, policymakers, and elected officials, was original historical and constitutional research conducted by a number of my former students demonstrating, as conclusively as such things can be demonstrated, that the creation of a state public bank would be both clearly constitutionally permissible, and in line with existing state supreme court jurisprudence going back over one hundred and forty years. Later today, this article will be submitted to this Committee for review by one of its co-authors, attorney and history professor Dr. Joshua R. Hall, Ph.D.

Although public banking has been discussed many times in the Oregon legislature, it has until now never received serious or proper treatment. Instead, elected representatives have gone in circles, debating whether or not it is a topic worthy of proper debate, and whether it should be considered more seriously, without ever actually doing so.

H.B. 2966 ends this Groundhog Day-esque dynamic once and for all, by providing a formal vehicle through which to explore and evaluate the full range of potential institutional models and financing reforms available to Oregon in the modern age.

Rather than demand a public bank tomorrow, H.B. 2966 merely asks for the opportunity to investigate the issue adequately, with the resources and stakeholder involvement that it deserves. In doing so, it seeks to avoid the classic public sector pitfall, in which there's "never time to do it right, but always time to do it again."

The future financial health and capacity of the State of Oregon is too important to be reduced to a question of partisan politics and financial industry turf defense. The people of Oregon deserve the opportunity to have a proper discussion, informed by high quality and cutting-edge research, prepared by independent experts and key stakeholders.

I urge you to vote yes on H.B. 2966.

Regards,



Rohan Grey

Director, Public Money Action

[rohan@rohangrey.net](mailto:rohan@rohangrey.net)