MARK F. GAMBA
STATE REPRESENTATIVE
HOUSE DISTRICT 41

HOUSE OF REPRESENTATIVES

Office of Rep. Mark Gamba: HD 41: Milwaukie
Rep.MarkGamba@oregonlegislature.gov
(503) 986-1441

HB 2966: Public Finance Task Force

Objective	Establish a process to thoroughly examine the benefits, harms, and potential pathways for public financing of infrastructure development, homeownership loans, and local government bonds.

Problem	When local governments want to build libraries, bike/ped paths, water treatment plants, and virtually all other large infrastructure they usually put out a bond that is bought by a large Wall Street bank. Interest and fees on these bonds often total 30% to 50% of overall project cost. This creates almost insurmountable barriers for local governments which are already strapped for cash, and that money is also then sent out of the state and removed from our state economy. Similar dynamics exist for homeownership loans and other types of bonds.
Context	The Oregon legislature passed a more broad but related piece of legislation in 2023: HB 2763, the State Bank Task Force bill. Ultimately, the governor vetoed that bill due to concerns about its large scope and tight timelines. HB 2699 incorporates all of the governor's feedback and was drafted after extensive engagement with her office.
Solution	HB 2699 establishes a task force composed of diverse interests and directs it to study different methods of public financing in several specific realms, which may or may not entail eventual creation of a public bank. The potential benefits of these methods are incalculable. We can dramatically boost local credit unions' and community banks' abilities to offer loans and stimulate economic activity, we can partner with them for participatory homeownership loans at lower costs than are charged by Wall Street banks, we can be responsible stewards of public dollars by facilitating development of local governments' large infrastructure needs for less costs than are imposed by large banks, and so very much more. HB 2699 is the first step to bringing any of these benefits home. There are complex financial issues involved and it is only with the significant expertise assembled by the task force that we will be able to solve them and get this right.