



January 28, 2025

Oregon State Legislature
House Committee on Commerce and Public Protection
900 Court St. NE
Salem, OR 97301

RE: Support for House Bill 2966, Relating to a public finance task force; declaring an emergency.

Dear Chair Sosa, Vice Chairs Osborne and Chaichi, and other members of the House Committee on Commerce and Consumer Protection,

On behalf of the more than 55,000 members and supporters of the Sierra Club Oregon Chapter, we write in support of House Bill 2966, which seeks to create a public finance task force.

The Oregon Sierra Club strongly supports HB 2966 as a crucial step toward exploring, facilitating, and establishing mechanisms for public financing options, including the creation of a state bank. Upon its passage, the State Public Finance Task Force will study and make recommendations on establishing an Oregon state bank and other public financing options. This includes potential partnerships with existing local financial institutions such as community banks, credit unions, and Community Development Financial Institutions (CDFIs).

The Task Force will analyze how a publicly operated state bank could work alongside local community banks and credit unions to strengthen Oregon's economy. It will assess how public financing could expand lending programs and provide lower-cost loans for homebuyers, small businesses, family farms, underserved populations, affordable housing programs, and Oregon students seeking low-cost student loans. Additionally, the Task Force will examine how a public bank could issue loans and bonds for public infrastructure projects, which currently cost significantly more due to high fees and interest paid to large financial institutions.

A core focus of the Task Force will be exploring how public financing can reduce the costs of public projects in Oregon. Unlike private financial institutions, public banks and other public financing options are not driven by profit margins. Because a state bank would be owned by the public and chartered for the public good, it is expected to offer lower interest rates, free up funds for additional projects, prioritize people over profits, and ensure public money serves the public interest.

The Task Force will also evaluate how a state public bank could help revitalize Oregon's local economy. It will assess how public banks could collaborate with community banks and credit unions to expand access to affordable loans for small and mid-sized businesses, including farmers and others who often face barriers when seeking financing from large Wall Street banks.

Additionally, the Task Force will explore how state public banking could optimize tax dollars by reducing the cost of financing public projects, ultimately lowering the tax burden on Oregon residents. Instead of

1821 SE Ankeny Street · Portland, OR 97214
503-238-0442
emily.bowes@sierraclub.org
www.oregonsierraclub.org
@ORSierraClub on Facebook, Instagram, and X/Twitter



directing funds toward fees and interest paid to major financial institutions, public banking would allow these savings to remain in Oregon, making more resources available for essential public services.

A positive and forward-looking report from the State Public Finance Task Force would endorse the implementation of public banking in Oregon, fostering a sense of empowerment, self-reliance, and optimism among the state's leadership and residents. As Deyanira Del Rio of the New Economy Project aptly stated, "A public bank is chartered to serve the public good, which removes the profit-seeking shareholders from the equation and allows for benefits other than maximizing profits."

Oregon's public banking initiative would incentivize civic and public projects that add long-term value to our communities. At a time when the federal government can feel distant and unapproachable, public financing presents an opportunity for Oregon to strengthen its self-reliance and economic resilience. This forward-thinking policy would continuously reinvest in our state's independence, well-being, and financial democracy, all for the public good.

Respectfully submitted,

Emily Bowes, Policy Strategist

A handwritten signature in black ink that reads "Emily Bowes". The signature is written in a cursive, flowing style.

1821 SE Ankeny Street · Portland, OR 97214
503-238-0442

emily.bowes@sierraclub.org
www.oregonsierraclub.org

@ORSierraClub on Facebook, Instagram, and X/Twitter