

January 30, 2025

Position on Bills at 2025 Session of Oregon Legislature:



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HB 2966: Support

The Oregon Progressive Party supports HB 2966, which would establish a State Public Finance Task Force and direct the task force to study and make recommendations regarding public banking and other public financing options by September 1, 2027.

The Oregon Progressive Party has long advocated creation of a State Bank. Creating a task force to study such a proposal is a step in the right direction.

The State of Oregon now holds \$140 billion of funds. It invests much of it with world-wide capitalists. These Wall Street operators charge Oregon huge fees (not fully disclosed), likely over \$500 million per year. And they invest nearly all of the money in enterprises outside of Oregon.

The State of Oregon and its counties, cities, and districts also pay huge fees to Wall Street firms in order to float bonds to pay for public works.

The typical fee is 3-5%. Local governments have been issuing an average of \$4 billion in bonds per year since 2015. That means \$120-\$200 million in Wall Street fees. The State of Oregon itself issues nearly \$1 billion in new bonds per year, generating more fees.

So Wall Street gets paid to take our money and then gets paid again to loan it back to us.

Oregon should use its investment funds for public works (transportation, bridges, water systems), housing, and small business opportunities in Oregon. Local governments should borrow funds from the State of Oregon and avoid huge Wall Street fees and high interest rates.

Why are Oregon's housing opportunities so limited, when the State of Oregon could provide low-interest loans through local credit unions and community banks for renovation and weatherization of existing homes?

Why do Oregon's small businesses and start-up lack capital and have to sell their ideas and enterprises to outside capitalists in order to start production, when the State of Oregon could provide start-up loans?

Small businesses are the organs of Oregon's economy, and community banks and credit unions are its lifeblood. A State Bank of Oregon could provide capital at lower cost, enabling them to lower the interest on loans, increase lending capacity, and help entrepreneurs and farmers access the funds they need to grow our economy.

All fees on investments by Oregon governments should be fully disclosed, along with the now-secret annual audit reports on these investments.

Oregon Progressive Party

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