

Public Banking Reviewed for Ask Catherine & the Solari Team: May 3, 2024

Recent Links:

- [The Public Bank That Wasn't: New Jersey's Excursion into Public Banking](#)
- [KY SJR 120 A Joint Resolution directing the establishment of the Public Bank Task Force](#)
- [Federal Public Banking Act revived](#)
- Legislation by State – Public Banking update compiled from <https://publicbankinginstitute.org/legislation-by-state/#state-dropdown-menu>

Wisconsin

Wisconsin enters the public bank movement with the state's first legislative effort, [AB 1220](#), introduced on April 11, 2024, by WI State Representatives Darrin Madison, Francesca Hong and Sue S. Clancy and cosponsored by WI State Senator Chris Larson. The bill would create an authority to be known as the Public Bank of Wisconsin and make an appropriation. Text of the bill includes, "The Public Bank must organize as a state-chartered bank supervised by the Division of Banking in the Department of Financial Institutions and generally accepts deposits only of public moneys from the state. Rep. Madison's aide, David O'Keeffe, states that the bill was introduced although the 2024 legislative session was just coming to a close, so that it can be used for organizing and galvanizing support before the 2025 session begins.

Arizona

Reflecting the broad nonpartisan appeal of having local control over their own money, Arizona has new public bank bill, [SB 1206](#), introduced on January 29, 2024, by AZ State Senators Wendy Rogers and Sonny Borrelli. [Text of the bill](#) includes, "This State shall engage in the business of banking, and shall maintain a system of banking, owned, controlled and operated by the State under the name of Sovereign State Bank of Arizona."

New Mexico

The Alliance for Local Economic Prosperity (AFLEP) has shifted the window in which they expect to introduce their legislation to **2025's 60-day session**, based on new opportunities likely to improve the bill's chance of success. The new State Treasurer, Laura Montoya, is a strong supporter of a public bank and AFLEP wants to work with her to strengthen their case.

SUMMARY UPDATES FROM 2023:

East Bay

Public Bank East Bay makes history as it [hires its first CEO, Scott Waite](#), becoming the first public banking effort in the nation to bring on a chief executive as well as a prospective board, led by Co-Chairs Paulina Gonzalez-Brito and Jennifer Esteen, for the planned public bank. Waite is tasked with completing the public bank's business plan required to apply for a bank charter, which will license the bank to do business. The Board expects the bank to open by early 2025. [Public Bank East Bay's Viability Study](#) has been approved by Richmond and Oakland, including approval of valuable city staff time toward the project. PBEB advocates

continue their work toward gaining commitments from other regional cities as founders and depositors, and on writing the business plan.

San Francisco

San Francisco's Board of Supervisors unanimously passed a resolution on Sept 5 to accept the business and governance plans for both the Municipal Finance Corporation and the Public Bank. With the Board's go-ahead, San Francisco is able to start implementing its own publicly owned financial corporation, which would then be converted into the city's first public bank. The San Francisco Reinvestment Working Group (RWG) plans would first set up a publicly owned non-depository municipal finance corporation (MFC) that will invest in key city needs, such as affordable housing, small businesses, and green infrastructure. The MFC is designed to work in partnership with San Francisco's many dedicated CFIs and CDFIs through participation and syndication lending and other collaborative approaches.

- [Read SF MFC plan](#)
- [Read SF Public Bank plan](#)

Oregon

Oregon's State Bank Task Force bill, [HB 2763](#), to create a state public bank task force passed both houses of the state legislature. Governor Tina Kotek's vetoed it Aug 4th, despite vocal support for her signature from advocates in Oregon and around the country. The State Senate passed the bill on June 23, following its passage by the House on June 14. The bill would have established a 19-member task force selected by the Governor, the President of the Senate, and Speaker of the House to study and make recommendations for the establishment of a state public bank. Its final report, including recommendations for legislation and a governing structure, would have been due September 1, 2024. The Oregon Public Bank Alliance organized strong support and testimony for this bill.

- [Read testimony](#)

Los Angeles

Los Angeles City Council approves funding for Phase 1 of the public bank viability study required by California's Public Banking Act, AB857. In a unanimous decision on June 20th, the Los Angeles City Council made their first financial investment toward launching a public bank, voting to approve funding in the amount of \$460,000 for consultant services to conduct Phase 1 of a viability study. The two-phase study will examine "policy, fiscal, and economic analyses related to the formation of a public bank serving the City of Los Angeles." Once the Phase 1 report is received from the consultants, HR&A Advisors, the Council has the option to choose a banking model and move forward to fund Phase 2 of the study. The Council's approval of funding did not specify a delivery date for this report. City Council voted to approve the Request for Proposal (RFP) for such a study in October 2021. The [JFI / Berggruen reports](#) released earlier this year examining what a Los Angeles public bank could do for the city were conducted independently from this RFP process.

- [Read the agenda item](#)

- [Read committee report](#)

New York

[NY Senate Bill S1754](#) / [Assembly Bill A3352](#) to establish the “New York public banking act,” which is similar to California’s AB857, were introduced in mid January by State Sen. James Sanders Jr. and Assemblymember Pamela J. Hunter, respectively. As of mid March, the Senate bill has met the 32 Senator co-sponsor threshold to pass. The Assembly bill has 61 co-sponsors, 14 Assemblymembers short of having majority support.

Washington

A bill to create the Washington State Public Infrastructure Bank was introduced in January by State Sen. Patty Kuderer and 13 co-sponsors. The bill, [SB 5509](#), was amended to create a loan fund instead of a bank and did not make it out of its Senate committee. Washingtonians for Public Banking recently held their first public event, which reviewed public banking efforts in Washington State.

- [View event recording.](#)
- [See their one-pager.](#)

Massachusetts

A new state public bank bill was introduced in both houses in January, sponsored by State Rep. Mike Connolly, State Rep. Antonio F. D. Cabral, and State Sen. James B. Eldridge. [HD.2677](#) (House) and [SD.1589](#) (Senate) incorporate recommended technical and language adjustments to the bill introduced last session (2021-22), honed through close work with the State Treasurer, CDFI leaders, and banking regulatory bodies including the Federal Reserve.

Philadelphia

A resolution to form a Philadelphia Public Finance Authority received a nearly unanimous approval, 15 – 1, by the City Council last March. Mayor Jim Kenney has refused to implement the mandated board appointments, but Philly advocates are pushing ahead in seating the board members for the Public Finance Authority that they’ve identified and vetted. The primary for electing a new mayor is scheduled for May 17, and five of the ten candidates running for the position are former City Councilmembers who voted for the Financial Authority. Prospects are therefore good.

New Hampshire

NH State Representative Jason Gerhard introduced [HB648-FN](#) to establish a state bank of New Hampshire in early January. A public hearing was held February 7, for which PBI Chair Ellen Brown submitted [written testimony](#) on behalf of PBI. Commerce and Consumer Affairs Committee determined on March 8 the bill was “Inexpedient to Legislate” 18-1. [Report p5.](#)