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I N   S E N A T E

May 14, 2014

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Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to establish a commission to study the feasibility of establishing a bank owned by the state of New York or by a public authority constituted by the state of New York; and providing for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     Section 1. A temporary state commission, to be known as the New York  
2     state commission on establishing a bank owned by New York state, herein-  
3     after referred to as the commission, is hereby established to study the  
4     feasibility of establishing a bank owned by the state of New York or by  
5     a public authority constituted by the state of New York.
- 6     S 2. a. The commission shall consist of fifteen members, to be  
7     appointed as follows:
- 8        (i) six members shall be appointed by the governor, one of whom shall  
9        be a representative of the New York state banking department, one shall  
10       be a representative from the New York state department of taxation and  
11       finance, the remaining four governor's appointees shall not be employees  
12       of the executive branch and at least one member shall represent the  
13       banking and financial industries of the state including, but not limited  
14       to, the New York Bankers Association, at least one member shall repre-  
15       sent community banking, and no more than one member may be a represen-  
16       tative of any financial services firm located within the state, includ-  
17       ing, but not limited to, the New York state small business development  
18       center;
- 19       (ii) one member shall be the New York state comptroller or the comp-  
20       troller's designee;
- 21       (iii) three members shall be appointed by the temporary president of  
22       the senate, one of whom shall be a member of the senate;
- 23       (iv) one member shall be appointed by the minority leader of the  
24       senate;
- 25       (v) three members shall be appointed by the speaker of the assembly,  
26       one of whom shall be a member of the assembly; and

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 (vi) one member shall be appointed by the minority leader of the  
2 assembly.

3 b. The governor shall designate one of his or her appointees as the  
4 chair of the commission.

5 c. The members of the commission shall be appointed no later than  
6 ninety days after the effective date of this act.

7 S 3. The commission shall:

8 (i) examine the technical, legal and financial feasibility of estab-  
9 lishing a state-owned bank, including but not limited to a state-owned  
10 bank for infrastructure investment purposes;

11 (ii) seek participation in its deliberations from the president of the  
12 Federal Reserve Bank of New York or the president's designee;

13 (iii) evaluate the experiences of other states with state-owned banks,  
14 identifying the financial performance of such banks and evaluating the  
15 lending practices of such banks to show whether such banks successfully  
16 fill lending gaps not filled by the private sector;

17 (iv) evaluate the manner in which public funds are invested or depos-  
18 ited by the state and its political subdivisions including funds managed  
19 by the state comptroller including state and local pension funds;

20 (v) examine the infrastructure investment activities conducted by  
21 other states with state-owned banks;

22 (vi) examine the lending practices, including lending to support  
23 infrastructure, of the existing public agencies in the commonwealth that  
24 perform lending services. Any other public authority in the state that  
25 lends money shall cooperate fully with the commission and shall supply  
26 information reasonably required by the commission to carry out its  
27 charge;

28 (vii) investigate how a state bank can promote the agriculture, educa-  
29 tion, community development, economic development, commerce and industry  
30 within the state;

31 (viii) hold at least three public hearings in distinct geographic  
32 regions of the state; and

33 (ix) publish its findings and recommendations, together with drafts of  
34 legislation, if any, necessary to carry those recommendations into  
35 effect, in a written report not later than one year after the effective  
36 date of this act. The report shall be published on the official website  
37 of the state, and shall be contemporaneously filed with the senate  
38 finance committee and the assembly ways and means committee.

39 S 4. This act shall take effect immediately and shall expire and be  
40 deemed repealed one year after such effective date.