

STATE OF NEW YORK

6522

2019-2020 Regular Sessions

IN ASSEMBLY

March 11, 2019

Introduced by M. of A. GALEF, O'DONNELL, STECK, MOSLEY, L. ROSENTHAL,
QUART, BARNWELL -- Multi-Sponsored by -- M. of A. BUCHWALD, GOTTFRIED
-- read once and referred 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 § 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 represent
15 community banking, and no more than one member may be a representative
16 of any financial services firm located within the state, including, but not limited to, the New York state small business development
17 center;
18

19 (ii) one member shall be the New York state comptroller or the comptroller's designee;
20

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;

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

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1 (iv) one member shall be appointed by the minority leader of the
2 senate;

3 (v) three members shall be appointed by the speaker of the assembly,
4 one of whom shall be a member of the assembly; and

5 (vi) one member shall be appointed by the minority leader of the
6 assembly.

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

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

11 § 3. The commission shall:

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

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

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

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

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

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

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

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

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

43 § 4. This act shall take effect immediately and shall expire and be
44 deemed repealed one year after such effective date.