

STATE OF NEW YORK

2115--A

Cal. No. 337

2019-2020 Regular Sessions

IN SENATE

January 22, 2019

Introduced by Sens. SANDERS, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged and said bill committed to the Committee on Rules -- ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to establish a commission to study what a public bank owned by the state of New York or by a public authority constituted by the state of New York can do; 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 what
4 a public bank owned by the state of New York or by a public authority
5 constituted by the state of New York can do.
6 § 2. a. The commission shall consist of fifteen members, to be
7 appointed as follows:
8 (i) one member shall be the New York state comptroller or the comp-
9 troller's designee;
10 (ii) five members shall be appointed by the temporary president of the
11 senate, one of whom shall be a member of the senate;
12 (iii) two members shall be appointed by the minority leader of the
13 senate;
14 (iv) five members shall be appointed by the speaker of the assembly,
15 one of whom shall be a member of the assembly; and
16 (v) two members shall be appointed by the minority leader of the
17 assembly.
18 b. The comptroller, the temporary president of the senate, and the
19 speaker of the assembly shall designate one of the appointees as the
20 chair of the commission.

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

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

3 § 3. The commission shall:

4 a. examine the current laws and regulatory structures that need to be
5 amended to create a public bank in New York state;

6 b. evaluate the experiences of other states and countries with state-
7 owned banks, identifying the financial performance of such banks and
8 evaluating the lending practices of such banks to show whether such
9 banks successfully fill lending gaps not filled by the private sector;

10 c. identify changes to the current financial system that would maxi-
11 mize the state's independence and free up capital for public priorities,
12 including but not limited to:

13 (i) a public bank model in which the state creates a public bank to
14 serve its own banking needs as currently provided by commercial banks;
15 and

16 (ii) a public bank model in which the state creates a public bank to
17 serve its own banking needs as currently provided by commercial banks
18 and engages in supplemental activities, including accepting public
19 deposits, accepting deposits from the general public, and issuing loans.

20 d. identify steps that can be taken immediately to further the ends
21 identified in subdivision c of this section and to create a gradual plan
22 under which the state could comply with both models listed in paragraphs
23 (i) and (ii) of subdivision c of this section;

24 e. seek participation in its deliberations from the president of the
25 Federal Reserve bank of New York or such president's designee;

26 f. examine the lending practices, including lending to support infras-
27 tructure, of the existing public agencies in the state that perform
28 lending services. Any other public authority in the state that lends
29 money shall cooperate fully with the commission and shall supply infor-
30 mation reasonably required by the commission to carry out its charge;
31 and

32 g. examine the political, economic, and social climate of public banks
33 world-wide, and recommend safeguards to insulate a New York public bank
34 from such conditions.

35 § 4. The commission shall:

36 a. hold at least three public hearings in distinct geographic regions
37 of the state; and

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

44 § 5. The members of the commission shall receive no compensation for
45 their services, but shall be allowed their actual and necessary expenses
46 incurred in the performance of their duties pursuant to this act.

47 § 6. This act shall take effect immediately and shall expire and be
48 deemed repealed one year after such effective date.