

STATE OF NEW YORK

6308

2025-2026 Regular Sessions

IN ASSEMBLY

March 3, 2025

Introduced by M. of A. PEOPLES-STOKES, LEVENBERG, MEEKS -- read once and referred to the Committee on Banks

AN ACT establishing a commission to determine what benefits a public bank or network of public banks owned by the state of New York or by a public authority constituted by the state of New York can provide; 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 hire a
4 consultant to study the feasibility of establishing a bank owned by the
5 state of New York or by a public authority constituted by the state of
6 New York for the public interest.

7 § 2. (a) The commission shall consist of eleven members, to be
8 appointed as follows:(i) five members shall be appointed by the gover-
9 nor, one of whom shall be a representative of the New York state depart-
10 ment of financial services, one shall be a representative from the New
11 York state department of taxation and finance, the remaining three
12 governor's appointees shall not be employees of the executive branch and
13 at least one member shall represent the banking and financial industries
14 of the state including, but not limited to, the New York bankers associ-
15 ation, at least one member shall represent community banking, and no
16 more than one member may be a representative of any financial services
17 firm located within the state, including, but not limited to, the New
18 York state small business development center;

19 (ii) three members shall be appointed by the temporary president of
20 the senate, one of whom shall be a member of the senate;

21 (iii) three members shall be appointed by the speaker of the assembly,
22 one of whom shall be a member of the assembly.

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

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1 (b) The majority of the members of the entire commission shall designate one of the commissioners to serve as the chair of the commission.

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

4 (d) The commission is directed to hire a reputable consultant that has
5 the capacity, capability, and experience to conduct a feasibility study
6 to evaluate and make recommendations concerning the formation and
7 control of a state public bank. Consultants that have conducted a previous
8 feasibility study of a public bank at the request of a government
9 entity in the United States will be given preference. Such study shall
10 make recommendations, with the advice of the department of financial
11 services, including but not limited to, on the feasibility of establishing
12 a state bank in New York and may recommend legislation for the
13 legislature to consider in order to create a state public bank for New
14 York.
15

16 § 3. The scope of such study shall include, but shall not be limited
17 to:

18 (a) the purposes of such public bank in the public interest;

19 (b) an analysis of cost savings, impacts on the state's finances,
20 economic development and infrastructure, housing and additional needs of
21 the state, including but not limited to:

22 (i) appropriate governance structures;

23 (ii) minimum capitalization requirements;

24 (iii) appropriate insurance and risk management tools;

25 (iv) charter requirements;

26 (v) financial and operations framework;

27 (vi) deposits;

28 (vii) permitted activities;

29 (viii) benefits;

30 (ix) potential challenges that such public banks may encounter;

31 (x) how the lack of accessible financial services contributes to the
32 cycle of poverty;

33 (xi) barriers to small business formation and growth;

34 (xii) impacts of such public banks on small businesses, including
35 minority- and women-owned business enterprises;

36 (xiii) impacts of such public banks on the unbanked, the underbanked
37 and banking deserts; and

38 (xiv) how a state public bank may provide banking to the cannabis
39 industry;

40 (c) a fiscal analysis of costs associated with formation;

41 (d) an analysis that considers the effects of an economic recession on
42 the financial results of such public banks;

43 (e) a legal analysis of whether the proposed structure and operation
44 of such public bank complies with the New York state constitution;

45 (f) an analysis of how the proposed governance structure of such
46 public bank would protect such public bank from unlawful insider trans-
47 actions and apparent conflicts of interest;

48 (g) a fiscal analysis of the benefits associated with the creation of
49 such public bank, including, but not limited to, cost savings, jobs
50 created, jobs retained, economic activity generated and private capital
51 leveraged;

52 (h) a qualitative assessment of social and environmental benefits of
53 such public bank;

54 (i) a review of feasibility studies on public banking, including the
55 city of Philadelphia public bank feasibility study and the city of San
56 Francisco public bank feasibility study; and

1 (j) a review of AB-857 (2019 Cal. Stats. Ch. 442).

2 § 4. No earlier than six months and no later than seven months after
3 the effective date of this act, the commission shall submit a report to
4 the governor, the temporary president of the senate, the speaker of the
5 assembly, the chair of the senate banks committee and the chair of the
6 assembly banks committee on the findings and conclusions of the study
7 conducted pursuant to sections two and three of this act and shall
8 submit any legislative recommendations deemed to be necessary. Such
9 report shall be contemporaneously published on the official website of
10 the department of financial services.

11 § 5. This act shall take effect immediately and shall expire and be
12 deemed repealed one year after such effective date.