

6737

2011-2012 Regular Sessions

I N   A S S E M B L Y

March 28, 2011

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Introduced by M. of A. GALEF -- 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     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;

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44 deemed repealed one year after such effective date.