S T A T E O F N E W Y O R K

6737

2011-2012 Regular Sessions

I N A S S E M B L Y

March 28, 2011

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:

Section 1. A temporary state commission, to be known as the New York state commission on establishing a bank owned by New York state, hereinafter referred to as the commission, is hereby established 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.

S 2. a. The commission shall consist of fifteen members, to be appointed as follows:

(i) six members shall be appointed by the governor, one of whom shall be a representative of the New York state banking department, one shall be a representative from the New York state department of taxation and finance, the remaining four governor's appointees shall not be employees of the executive branch and at least one member shall represent the banking and financial industries of the state including, but not limited to, the New York Bankers Association, at least one member shall represent community banking, and no more than one member may be a representative of any financial services firm located within the state, including, but not limited to, the New York state small business development center;

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

(iii) three members shall be appointed by the temporary president of 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.

LBD09739-01-1

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

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

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

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

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

S 3. The commission shall:

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

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

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

(iv) evaluate the manner in which public funds are invested or deposited by the state and its political subdivisions including funds managed by the state comptroller including state and local pension funds;

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

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

(vii) investigate how a state bank can promote the agriculture, education, community development, economic development, commerce and industry within the state;

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

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

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