

**HOUSE . . . . . No. 934**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Byron Rushing***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing a commission to study the feasibility of establishing a bank owned by the Commonwealth or by a public authority constituted by the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Byron Rushing</i>	<i>9th Suffolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>

**HOUSE . . . . . No. 934**

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By Mr. Rushing of Boston, a petition (accompanied by bill, House, No. 934) of Byron Rushing and others for an investigation by special commission (including members of the General Court) relative to the feasibility of establishing a bank owned by the Commonwealth or by a public authority constituted by the Commonwealth. Financial Services.

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**The Commonwealth of Massachusetts**

**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**

An Act establishing a commission to study the feasibility of establishing a bank owned by the Commonwealth or by a public authority constituted by the Commonwealth.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           (a) There shall be a commission to study the feasibility of establishing a bank owned by  
2 the commonwealth or by a public authority constituted by the commonwealth.

3           (b) The commission shall consist of the secretary for administration and finance and the  
4 secretary of housing and economic development or their respective designees, who shall serve as  
5 co-chairs of the commission; the state treasurer or the treasurer's designee; the state comptroller  
6 or the comptroller's designee; 2 persons to be appointed by the president of the senate, 1 of  
7 whom shall be a member of the senate; 1 person to be appointed by the minority leader of the  
8 senate; 2 persons to be appointed by the speaker of the house of representatives; 1 of whom shall  
9 be a member of the house of representatives; 1 person to be appointed by the minority leader of  
10 the house; the executive directors of the Massachusetts Development Financing Agency and the  
11 Massachusetts Housing Finance Agency or their designees; president of the Massachusetts

12 Growth Capital Corporation or the president's designee; and 8 persons to be appointed by the  
13 governor who shall not be employees of the executive branch, 3 of whom shall be drawn from a  
14 list of 5 names submitted by the Massachusetts Bankers Association, at least 1 of whom shall be  
15 a representative of a community bank operating in the commonwealth, 1 of whom shall be drawn  
16 from a list of 3 names submitted by the Associated Industries of Massachusetts, 1 of whom shall  
17 be drawn from a list of 3 names submitted by the Small Business Association of New England  
18 and 1 of whom shall be a professor at an institution of higher education in the commonwealth  
19 who has researched and published articles on banking. Of the governor's remaining  
20 appointments, not more than 1 may be a representative of a financial services firm located in the  
21 commonwealth. The governor shall ensure geographic diversity in the governor's appointments  
22 to the commission. The members of the commission shall be appointed not later 90 days after the  
23 effective date of this act.

24 (c) The commission shall examine the technical, legal and financial feasibility of  
25 establishing a commonwealth-owned bank, including but not limited to a commonwealth-owned  
26 bank for infrastructure investment purposes. The commission shall seek participation in its  
27 deliberations from the president of the Federal Reserve Bank of Boston or the president's  
28 designee. The commission shall evaluate the experiences of other states with state-owned banks,  
29 identifying the financial performance of such banks and evaluating the lending practices of such  
30 banks to show whether such banks successfully fill lending gaps not filled by the private sector.  
31 The commission shall also evaluate the manner in which public funds are invested or deposited  
32 by the commonwealth and its political subdivisions including funds managed by the state  
33 treasurer; the Massachusetts Municipal Depository Trust and state and local pension funds. The  
34 commission shall examine the infrastructure investment activities conducted by other states with

35 state-owned banks. The commission shall also examine the lending practices, including lending  
36 to support infrastructure, of the existing public agencies in the commonwealth that perform  
37 lending services. The Massachusetts development finance agency, Massachusetts Housing  
38 Finance Agency, Health and Educational Facilities Authority, Massachusetts Growth Capital  
39 Corporation and any other public authority in the commonwealth that lends money shall  
40 cooperate fully with the commission and shall supply information reasonably required by the  
41 commission to carry out its charge.

42 (d) The commission shall hold at least 3 public hearings in distinct geographic regions of  
43 the commonwealth.

44 (e) The commission shall publish its findings and recommendations, together with drafts  
45 of legislation, if any, necessary to carry those recommendations into effect, in a written report  
46 not later than 1 year after the effective date of this act. The report shall be published on the  
47 official website of the commonwealth, and shall be contemporaneously filed with the house and  
48 senate committees on ways and means and the house and senate chairs of the joint committee on  
49 financial services.