

HOUSE No. 934

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:	DATE ADDED:
<i>Byron Rushing</i>	<i>9th Suffolk</i>	<i>1/16/2015</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>8/9/2019</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>	<i>8/9/2019</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>8/9/2019</i>

HOUSE No. 934

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.

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.