

Protecting Your Financial Interests



Government of the District of Columbia
Department of Insurance, Securities and Banking

What is a Public Bank?



ABOUT US

Who We Are

The Government of the District of Columbia Department of Insurance, Securities and Banking (DISB) regulates financial-service businesses in the District by administering DC's insurance, securities and banking laws, rules and regulations.

Our Mission

- Protect consumers by providing equitable, thorough, efficient, and prompt regulatory supervision of the financial services companies, firms, and individuals operating in the District of Columbia;
- Develop and improve market conditions to attract and retain financial services firms to the District of Columbia.



What is a Public Bank?

A public bank is a chartered depository bank in which public funds are deposited. It is owned and operated by a government unit such as a state, county or city.

- In contrast to conventional banks, a public bank is likely to have a mandate for serving a public mission which reflects the values and needs of the public that it represents.
- The Bank of North Dakota (BND) is the only active public bank in the contiguous United States, formed in 1919 following a crisis in the agricultural sector and a constriction on credit available to local businesses. Please visit <https://bnd.nd.gov>



Public Banking in a U.S. Territory

Territorial Bank of American Samoa (TBAS) is a full service bank, owned and operated by a local government.

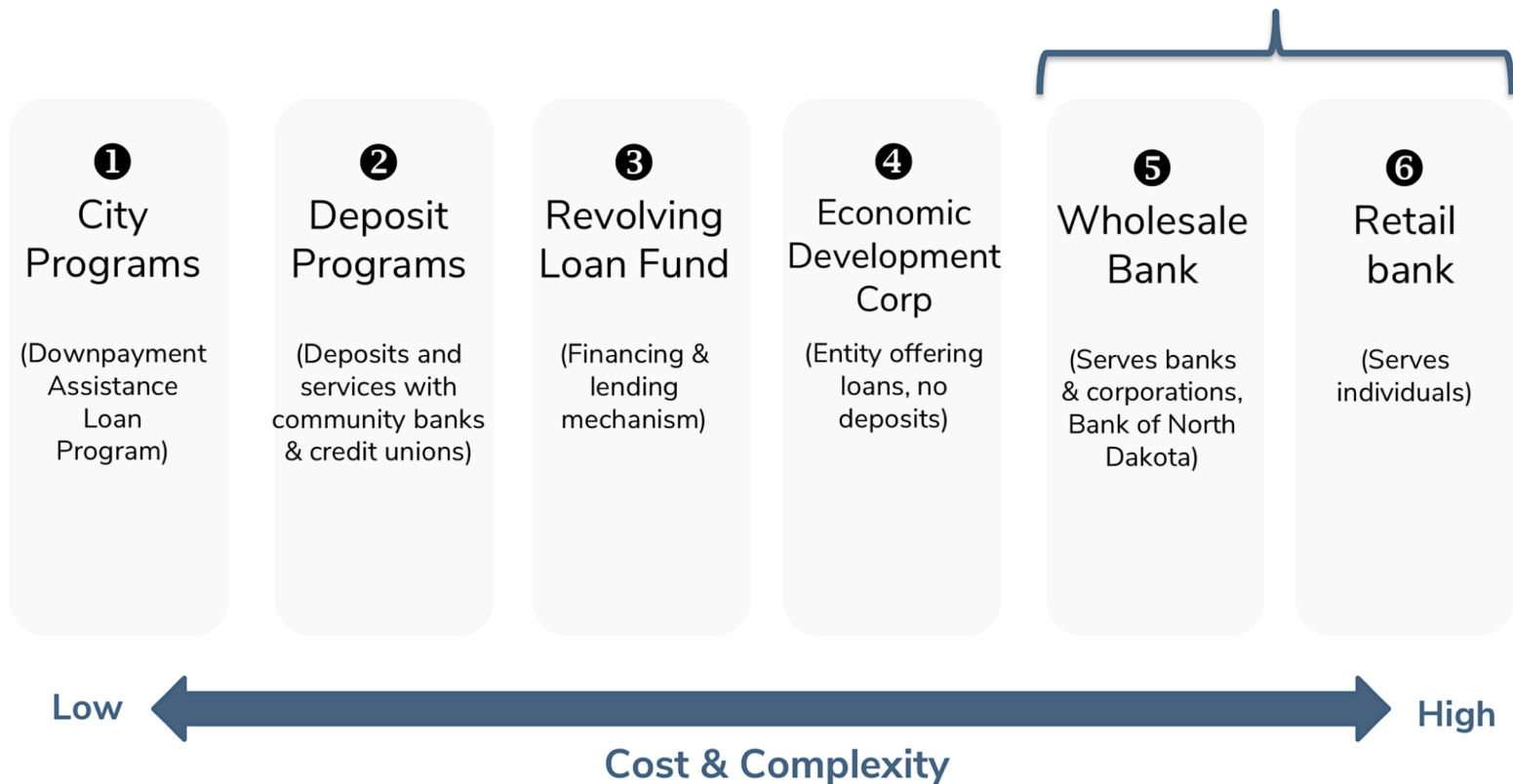
- Obtained Federal Reserve approval in the 2nd quarter of 2018
- TBAS focuses on providing business loans in the Territory.
 - There had not been any commercial lending five years prior to approval
- Capital for infrastructure modernization and recovery efforts from Cyclone Gita was a driving factor.

Please visit <https://www.mytbas.com>



Panel Question #1

How is the public's money in a public bank used?



Who's Exploring Public Banking

State/ Municipality	Action	Status	Source(s)
State of Alaska	The Alaska State Bank Act HB 376. House Bill passed to stablish a state bank; relating to insurance, mortgage lending, securities, 02 and permanent fund dividends; and providing for an effective date.	Referred to finance committee. Act to take effect July, 1 2019	http://www.akleg.gov/basis/Journal/Pages/30?Chamber=H&Bill=HB%20376&Page=03316#3316
City of Los Angeles	Los Angeles City Council introduces motion to conduct a public banking study . The study is to evaluate the requirements, legislative barrier and relevant aspects of creating a state-chartered public bank named the “Bank of Los Angeles” . It will determine the feasibility of providing banking services for community reinvestment projects primarily through the acquisition, construction, and rehabilitation of affordable and workforce housing by utilizing deposits. It also will evaluate the feasibility of providing financial services and products to local businesses, including the cannabis industry.	On February 26, 2018 the City of Los Angeles, Office of the Chief Legal Analyst, presented a report which concludes the City should conduct a more detailed cost-benefit analysis and banking formation study	http://clkrep.lacity.org/online/docs/2017/17-0831_mot_07-26-2017.pdf https://publicbankla.com/images/PBLA-Letter-to-City-Council-3.22.pdf http://sftreasurer.org/sites/default/files/3-20_Municipal%20Bank%20TF%20Prep%20Materials.pdf

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State/ Municipality	Action	Status	Source
City of San Francisco	City and County of San Francisco Treasurer José Cisneros convened a Municipal Bank Feasibility Task Force. The task force is investigating the potential costs and benefits of a municipal bank as well as other opportunities to leverage the City's banking and investment practices to support community objectives.	Task force presented report providing banking operations models & cost estimates on April 19, 2018	http://sftreasurer.org/sites/default/files/Public%20Banking%20Lit%20Review_for%20TF%20Members.pdf http://sftreasurer.org/sites/default/files/4-19_Municipal%20Bank%20TF%20Presentation%20Materials.pdf
State of Michigan	State of Michigan Legislature introduces HB No. 5432 . The State proposes to regulate the disposition of surplus state funds, inclusive of authorizing the state to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property. It also authorizes the use of surplus funds for loans to certain municipalities and agencies.	Bill pending in committee	http://www.legislature.mi.gov/(S(0kudvhgtgigse2iff1paq4pd))/mileg.aspx?page=GetObject&objectname=2018-HB-5432

Is the District of Columbia Government considering a public banking solution?

Who's Exploring Public Banking

State/ Municipality	Action	Status	Source
State of New Jersey	NJ State Senate introduces the State Bank of New Jersey Act No. 885. The Bill authorizes the creation of a board of directors to oversee the bank. It also authorizes the State Treasurer to deposit State moneys in the bank. The mission of the State Bank of New Jersey is to promote small businesses, fair educational lending, housing, infrastructure improvements, community development, economic development, commerce, and industry in New Jersey. In this role, the bank shall act as a funding resource in partnership with other financial institutions, economic development groups, and guaranty agencies.	Referred to Senate Commerce Committee	http://www.njleg.state.nj.us/2018/Bills/1000/885_11.PDF
State of New York	NY State Senate introduces Bill No. S3172 Establishes the New York State Commission on Establishing a Bank Owned by New York State. The Commission is to conduct a study to evaluate the feasibility of forming a public bank owned by the State of New York. The Governor shall designate one of his or her appointees as the chair of the Commission.	In committee	https://www.nysenate.gov/legislation/bills/2017/s3172/amendment/original

Panel Question #3

What are some major considerations which must be addressed to establish a public bank?

Panel Question #4

What are some examples of potential District projects or initiatives that could be aided by a public bank?

Panel Question #5

Are there any industries which are underserved by traditional banks?