



## Putting the Public's Money to Work for the Public Good

### LEGISLATION TO CREATE A MASSACHUSETTS PUBLIC BANK

Bills have been introduced in the Massachusetts legislature to create the MA Public Bank. Senate bill **S.632** is sponsored by Senator Jamie Eldridge. House bill **H.975** is co-sponsored by Rep. Mike Connolly and Rep. Antonio Cabral.

**Priorities:** The MA Public Bank will make loans to

- create jobs by
  - helping expand local businesses and finance new businesses
  - supporting cooperative business including worker-owned co-ops
  - providing financing for businesses for which traditional financing is not available
- support small and medium-sized businesses providing livable wages, especially in underserved communities, including in our rural communities
- address the historic and current economic inequities experienced by communities of color, their neighborhoods and businesses by providing affordable loans, including to organizations working to address the results of such racial injustice
- provide affordable financing to women-owned businesses and for organizations promoting women's economic and social equity
- support initiatives to mitigate the grave dangers of climate change and to promote substantial reductions in greenhouse gas emissions
- strengthen our local state-chartered banks by participating with them to make loans benefiting our local communities
- provide local financing by joining with Community Development Financial Institutions (CDFIs) and Community Development Corporations (CDCs) promote sustainable agricultural production by local farms and help address food insecurity

**And the public's voice will be heard!** In addition to a Board of Directors, the MA Public Bank will have a robust Board of Advisors and a public internet-based comments portal where your voice will be heard directly and conveyed to the BOD and CEO by the Board of Advisors.

The Board of Advisors will include persons representing

- local municipalities
- underserved neighborhoods
- small businesses particularly in underserved neighborhoods
- other businesses lacking access to needed credit
- sustainable agriculture and food security
- climate change and green finance
- environmental justice
- interests of workers including wages and working conditions
- local banks
- community development financial institutions (CDFI's) and other community development organizations

**How it Works:** When the state deposits a portion of state revenues into the state public bank, our tax dollars will work for our communities many times over. That's because state revenues deposited in the public bank will allow the bank to be part of the larger banking system of loans and deposits which serve to expand the money supply. Our state revenues will stretch much further by being part of this system.

This is different from proposals for a green "bank" which is not a bank, but rather an investment fund which can only loan out what is in the fund.

Currently the vast majority of the state's funds are deposited in the Massachusetts Municipal Depository Trust (MMDT) which invests across the country and around the world. The Massachusetts public bank will bring some of our tax dollars home to work for our communities many times over.

The MA state bank will **not** draw out state funds deposited in Massachusetts banks and it will only take deposits from the state treasury.

**Getting started:** The bank will be established by having the Legislature transfer \$50 million/year for four years to capitalize the bank. Deposits of \$1.4 billion will come from state revenues allocated by the state treasurer.

**Taking action:** To get involved, go to <https://masspublicbanking.org/get-involved/>