

Submitter: John Bartley

On Behalf
Of:

Committee: House Committee On Emergency Management, General Government, and Veterans

Measure: HB4155

Chair Grayber, Vice-Chairs Lewis and Tran, and Members of the House Committee On Emergency Management, General Government, and Veterans:

My name is John E. Bartley, III. I reside in Washington County and currently serve as a precinct committeeperson of the Democratic Party of Oregon. I write today in support of HB 4155 and to urge its passage.

Local and state governments collectively pay \$160 billion annually just for interest on loans. Half the cost of infrastructure is interest, which normally goes to wealthy bondholders. The Bay Bridge Retrofit in Oakland, CA, for instance, cost \$6 billion in principal plus another \$6 billion in interest. With low rates from a public bank, infrastructure costs can be substantially reduced.

Local governments also pay oversized fees to private banks to manage their deposits and payments. A public bank can provide services and credit “at cost,” returning any profits to the public purse to be used for local development and services. Public banks can also target investment where the big banks have abandoned us: small businesses and local economies.

Two-thirds of states set up public infrastructure banks, and empirical analysis estimates the positive increase in output, earnings, employment, and values-added for proposed public banks.

For example, Washington was one of several states that participated in the Department of Transportation’s State Infrastructure Banks (SIB) to fund transportation infrastructure. With capitalization of \$1.5 million from the federal government, Washington set up a revolving loan fund to allocate investments to roads and highways. Similarly, in 2013, the legislators created a Clean Energy Fund (CEF), which — like SIB — operates as a revolving lender. Throughout its history, Washington’s CEF has loaned nearly \$150 million and supported more than 5,000 energy projects.

Another example: North Dakota’s public bank is a major pillar of the state’s economy, with lending practices that support economic development and disaster relief. BND had \$10.2 billion in assets in 2020, maintained a loan portfolio of \$3.2 billion, and made \$191.2 million in profit. However, unlike a private bank, its surpluses are plowed back into the state’s economy.

This would be a force multiplier to Oregon's economy, using kicker surpluses and other funds to boost rural development. We especially need to develop affordable housing for Oregonians, and HB 4155 has the potential to encourage this.

For this reason, I ask you proceed with HB 4155.