



Making Our Tax Dollars Work for Our Communities!

BILLS INTRODUCED TO CREATE A MASSACHUSETTS PUBLIC BANK: TIME TO MOBILIZE

Bills have been introduced in the Massachusetts legislature to create a state public bank. The Senate bill SD 1712 is sponsored by Senator James Eldridge and the House bill HD 3247 is co-sponsored by Rep. Michael Connolly and Rep. Nika Elugardo. This path-breaking legislation will be a boon to our communities, especially as they reel from the impacts of the COVID-driven financial challenges and ensure that the bank's resources are equitably distributed across the state.

How it Works: When the state deposits a portion of state revenues into a state public bank, our tax dollars will work for our communities many times over. This is because a bank doesn't spend its deposits. The deposits, along with the capitalization of the bank, allow the bank to make loans. That's how banks work!

Currently the vast majority of the state's funds are deposited in the Massachusetts Municipal Depository Trust (MMDT) which in turn invests across the country and around the world in corporate bonds such as Energy Transfer Partners, Columbia Pipeline, and Halliburton to name just a few. The Massachusetts public bank will bring our tax dollars home to work for our communities. The state will **not** draw out funds deposited in MA local banks.

Priorities: Specifically, the MA public bank will makes loans to

- help our cities and towns across the state meet their needs with affordable financing rather than having to depend on the bond market
- support small and medium-sized businesses providing livable wages, especially in underserved communities including in our rural communities
- create jobs by
 - helping expand businesses and finance new businesses
 - supporting cooperative business including worker-owned co-ops
 - providing financing for businesses where traditional financing is not available
- increase available affordable housing across the state
- strengthen our local state-chartered banks by joining with them to make loans benefiting our local communities

- provide further local financing by joining with Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs) and Economic Development Corporations (EDC's)
- promote sustainable agricultural production by local farms and help address food insecurity
- 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

And your 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 organizations concerned with

- 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

as well as organizations representing local banks or credit unions and community development financial institutions (CDFI's) and other community development organizations.

Getting started: The bank will be established by having the State Treasurer initially transfer \$50 million/year for four years to capitalize the bank and additional state funds amounting to one-fourth of the capitalization as deposits in the bank.

Your voice is key: None of this can happen unless our state legislators hear from you ... and your friends ... and your relatives and colleagues! It is time to mobilize support for the MA Public Bank!

To become active with the campaign, visit our website

www.masspublicbanking.org

or contact us at info@masspublicbanking.org