BILL SUMMARY

AB 310 paves the path for a California State Public Bank. Authored by Assemblymembers Miguel Santiago and David Chiu, this 2020 session bill expands the lending capacity of the State’s Infrastructure Bank (IBank) by moving 10% of CA’s Pooled Money Investment Account (PMIA) into the IBank’s loan fund. The bill will also convert the IBank into a depository bank able to leverage its capital up to ten times and direct its lending toward a just and equitable economic recovery.

WHAT ARE PUBLIC BANKS?

A public bank is a financial institution owned by the state, cities, counties, or joint powers authorities. A public bank’s deposit base consists primarily of tax revenues and fees which it leverages to issue loans, just like any bank. Unlike private banks, the interest paid to and profits earned by a public bank are returned to the community.

ADVANTAGES OF THE CALIFORNIA STATE PUBLIC BANK

- Help small businesses through lending, rather than letting Wall Street decide where the money should go.
- Provide a long-term source of stable financing for local governments, redirect existing investment funds into the state economy, and lay the foundation for resilient and equitable growth.
- Partner with community banks and credit unions so they can expand much-needed investment in their neighborhoods.
- Create a sustainable stream of revenue for emergency funding so we can better prepare for the future.

CaliforniaPublicBankingAlliance.org