

SMCDCC Resolution in Support of California State Assembly Bill 857

WHEREAS, California does not have a public banking option; many California local governments must hold their assets with large out-of-state private commercial banks that frequently charge local governments large servicing fees to handle their deposits and perform cash management services;

WHEREAS, California taxpayer dollars are invested with commercial banks that have little incentive to use their assets for local community improvement and engage in practices that could be seen as inconsistent with the values of California communities, such as predatory lending practices, funding private prisons and detention centers, and extracting fossil fuels in environmentally unsustainable ways;

WHEREAS, Assembly Bill 857 provides more local control of public finances by allowing local governments to charter their own public banks with oversight by the Department of Business Oversight and a separate, professional board; public banks leverage their deposit base and lending power to focus on local pressing needs like affordable housing, small business loans, and public infrastructure projects, at a lower cost than the private sector;

WHEREAS, Assembly Bill 857 establishes the legal and regulatory framework and definitions of public banking for all California cities, counties, and government agencies, to protect the credit and assets of the public through an insured financial institution that measures its return on investment not only by profits, but also by its success in supporting local communities;

THEREFORE BE IT RESOLVED, the San Mateo County Democratic Central Committee supports and endorses Assembly Bill 857 and urges California State legislators to pass the bill and continue efforts to enable the development of public banking in California.

BE IT BE FURTHER RESOLVED, copies of this Resolution be sent to the Governor of California and the San Mateo County Supervisors.

Adopted _____

Chair: _____