City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Details (With Text)

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Title:	Authorizing the Committee on Finance to hold hearings regarding public banking.				
Sponsors:	Councilmember Green, Councilmember Parker, Councilmember Brooks				
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Date	Ver.	Action By	Action	Result	Tally
10/5/2020	0	Committee on Finance			
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1/23/2020	0	CITY COUNCIL	Introduced and Ordered Placed on This Week's Final Passage Calendar		
1/23/2020	0	CITY COUNCIL	ADOPTED		

Authorizing the Committee on Finance to hold hearings regarding public banking.

WHEREAS, The creation of a public bank offers the possibility of achieving multiple policy objectives, including stimulating economic development, spurring job creation, reducing municipal debt service, and expanding the tax base, through direct, long-term local lending at below-market rates; and

WHEREAS, Philadelphia has a history with public banks, the Pennsylvania Bank - the first one in the United States - having been founded here in 1780 by Founding Father Robert Morris; and

WHEREAS, The Bank of North Dakota serves as a model for public banks that operate to do more than infrastructure financing; since 1919, it has reinvested state tax revenue and other deposits to make loans to small- and medium-sized businesses within North Dakota, limiting management costs, allowing the citizenry to successfully influence development, and earning the state hundreds of millions of dollars in returns; and

WHEREAS, A public bank could partner with community banks to extend reliable, affordable credit to small businesses and other community stakeholders, neither acting as a retail establishment in competition with private banks, nor requiring brick-and-mortar locations, tellers, or extensive marketing; and

WHEREAS, Profits from a public bank could be split between public and private interests and reinvestment in the bank’s local investment portfolio, while the capitalization of local commercial corridors and small businesses would foster citywide benefits to citizens, neighborhoods, and the School District; and

WHEREAS, A public bank could facilitate additional goals, such as citizen inclusion in setting investment priorities and hiring preference for local vendors; and

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WHEREAS, This year, the Kenney administration selected HR&A to conduct a feasibility study regarding; and

WHEREAS, The potential of a public bank in Philadelphia would be a significant change for the City, and therefore would require the input of citizens, financial institutions, the Administration, and other stakeholders; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council does hereby authorize the Committee on Finance hold hearings regarding public banking.