

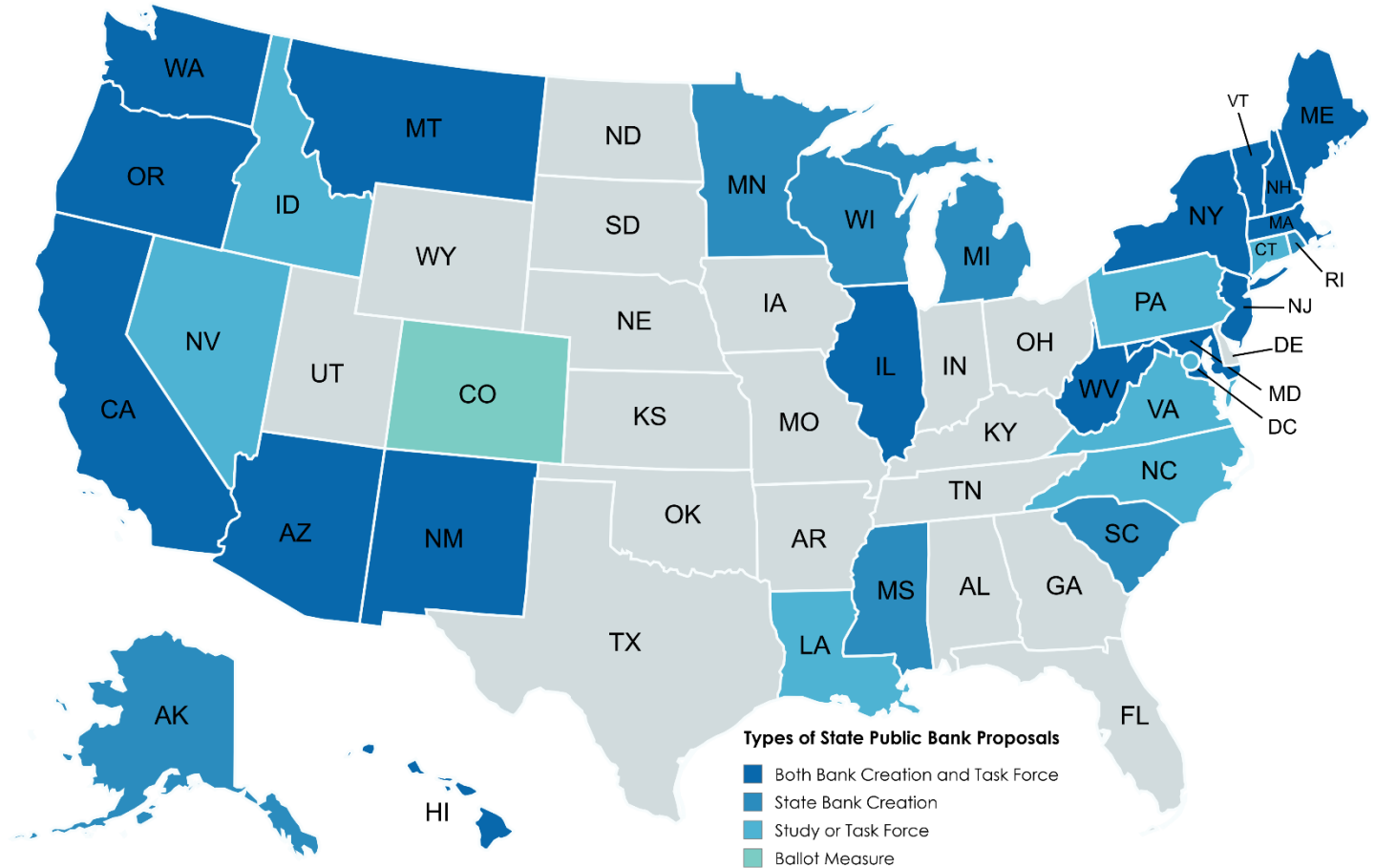


State Efforts to Establish State Public Banks

*Current as of March 30, 2026

Executive Summary

Figure 1. Comparison of State Public Bank Proposals (2007-2021)



Source: The Public Banking Institute, <https://publicbankinginstitute.org/legislation-by-state/#all-leg-year>.

Since the Great Recession in 2008, lawmakers in more than 20 states have introduced legislation, studies, or related proposals to explore a public bank model. Still, North Dakota remains the only state with a fully operational statewide public bank. For most states, the practical question has not been whether to launch a full state bank immediately, but how to begin the conversation in a politically and administratively manageable way.^{1,2} State activity has generally fallen into a small number of recurring approaches:

- **Feasibility Studies and/or Commissions:** Some states first authorized a formal study rather than creating a bank itself. In Massachusetts, a 2010 law created a commission to study the feasibility of a bank owned by the

¹ "White Paper: Public Banking in the Northeast and Midwest States," The Northeast-Midwest Institution, September 2019, <https://www.nemw.org/wp-content/uploads/2019/09/Public-Banking-White-Paper.pdf>.

² "Legislation by State," The Public Banking Institute, 2023, <https://publicbankinginstitute.org/legislation-by-state>.



commonwealth or a public authority, and the commission later recommended against creating one at that time.³

- **Task Forces and/or Implementation Boards:** Other states used temporary bodies to gather testimony, assess legal and financial design questions, and recommend next steps. Oregon’s [House Bill 2763 \(2023\)](#) would have created a 19-member State Bank Task Force to study and recommend legislation and governance options. However, it was ultimately vetoed by the governor after passing both chambers. New Jersey used a Public Bank Implementation Board to develop recommendations after executive action and interagency review.⁴
- **Pilot and/or Bridge Entities:** Instead of moving directly to a depository public bank, some states explored limited-purpose entities that could test public financing tools first. In New Jersey, the implementation process recommended a temporary financing structure, which helped lead to the creation of the Social Impact Investment Fund with \$20 million in seed funding to address market gaps in impact capital via [Assembly Bill 5670 \(2023\)](#).
- **Targeted Public Finance Models:** Many proposals have focused on specific lending gaps, such as affordable housing, infrastructure, climate projects, or small business finance, rather than creating a broad retail bank. New Jersey’s final recommendations favored a state-funded, partially state-controlled community development bank designed to fill unmet credit needs and work through existing financial channels.⁵
- **Partnership Framing:** A common legislative strategy has been to present a public bank as a partner to community banks, credit unions, and mission lenders rather than as a replacement for them. Analysts have noted that many U.S. public bank proposals borrow from the Bank of North Dakota’s partnership model to expand local lending capacity while reducing political resistance from existing financial institutions.⁶

Findings and Analysis – Proposed Legislation (2024-Present)

State	Measure (Year)	Status	Action Type	Summary
Alabama	House Bill 610 (2025)	Died without a hearing in the House Financial Services Committee	<i>Constitutional Amendment</i>	The bill would have submitted a proposed ballot measure authorizing the Legislature to establish a state public bank, which would serve as the depository for all state and local government funds, issue and make loans to these entities, and issue bonds. The bank would be empowered to borrow money and issue its own bonds and notes, thereby making capital funds available to state and local governmental entities for borrowing and for operating in the best interests of state taxpayers and residents. The amendment would require the creation of a State Public Bank Commission to serve as the primary governing authority, while maintaining prohibitions on the state or its

³ “Report of the Commission to Study the Feasibility of Establishing a Bank Owned by the Commonwealth,” Federal Reserve Bank of Boston, August 2011, <https://www.bostonfed.org/-/media/Documents/Workingpapers/PDF/rr1102commission.pdf>.

⁴ “News Release: Public Bank Implementation Board Provides Final Recommendations to Governor on Creation of New Jersey Public Bank,” New Jersey Department of Banking and Insurance, February 2024, <https://www.nj.gov/dobi/pressreleases/pr240206.html>.

⁵ Ibid.

⁶ Travis Lavenski, “Public Banks: What Are They, and How Might They Impact Workers?,” *On Labor*, January 2022, <https://onlabor.org/public-banks-what-are-they-and-how-might-they-impact-workers>.



State	Measure (Year)	Status	Action Type	Summary
				subdivisions being stockholders in banks or lending their credit to banking companies.
Arizona	Senate Bill 1206 (2024)	Died without Senate Committee referral	<i>Establish Bank</i>	It would have established a state-owned banking institution, managed by an Advisory Board of Directors consisting of nine members appointed by the Governor, the House Speaker, and the Senate President, with each appointing members from different political parties. The State Treasurer or their designee would also serve on the board. The members would be required to have relevant experience in banking, credit union management, financial services, or lending services, and would serve four-year terms, limited to two terms. A State Banking Fund would be established within the bank to manage appropriations, gifts, grants, deposits, donations, and investment income, with all earnings credited back to the fund. The bank would be subject to a sunset clause that terminates the Advisory Board on July 1, 2032, and repeals the relevant statutes on January 1, 2033, unless continued by the Legislature.
Illinois	House Bill 1103 (2024)	Died with a hearing in the Rules Committee	<i>Establish Bank</i>	It would have established the Illinois State Bank, operated by the State Department of Financial and Professional Regulation, to promote agriculture, commerce, and industry within the state. The Bank would be tasked with managing state funds, providing loans, and serving as a clearinghouse, among other functions. It would be authorized to make loans to various entities, including farmers and financial institutions, and to participate in the Agricultural Mortgage Secondary Market Program. It would also be empowered to invest in venture capital and alternative investments and to engage in real estate transactions through eminent domain. Additionally, the Bank would be responsible for administering a higher education savings plan that includes tax deductions for contributions. The Bank's operations would be overseen by an advisory board appointed by the Governor.
Maine	Senate Paper 652 (2024)	Failed to pass the Senate Insurance and	<i>Establish Bank</i>	The proposal would establish a state-chartered financial institution that operates with a unique focus on gold currency. It



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		Financial Services Committee		would also provide a one-time \$1,000,000 appropriation from the General Fund for the fiscal year 2023-24 to support the initial setup and operation of the Maine State Bank. The allocation would cover the necessary expenses associated with launching the bank and ensuring its operational readiness.
Massachusetts	House Bill 1114 (2025) See also: HB975 (2023) ; SB1589 (2023) ; HB1223 (2021)	Directed to Interim Study	<i>Establish Bank</i>	It proposes establishing a Massachusetts public bank, wholly owned by the Commonwealth, to serve as a safe depository for public funds and support economic development within the state. The bank would be directed to promote job creation, assist in economic recovery from external shocks, and address financing needs in underserved communities, among other goals. Governed by a board of directors and a board of advisors, with a chief executive officer responsible for its management, the bank would be capitalized with an initial equity investment of \$200 million from the Commonwealth, distributed over four fiscal years. The bank would prioritize supporting entities in underserved neighborhoods and rural areas, as well as those addressing climate change impacts, and ensure equitable distribution of resources across the state.
Montana	Legislative Council Request 3168 (2025) See also: LC2234 (2025)	Died in the bill drafting stage	<i>Study Feasibility</i>	A legislative interim study request that would have established a task force to consider the feasibility of chartering a state public bank modeled on the Bank of North Dakota.
New Hampshire	House Bill 648 (2024) See also: HB648 (2023)	Reported unfavorably by the House Commerce and Consumer Affairs Committee	<i>Establish Bank</i>	The proposed legislation would establish the State Bank of New Hampshire. It would be governed by a board of directors consisting of five voting members appointed by the governor, with the state treasurer and banking commissioner serving as nonvoting members who oversee the bank's operations, management, and control, and will appoint a president with extensive banking experience. An advisory committee would also be formed to assist the board, comprising representatives from various sectors, including finance, business,



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				agriculture, and labor. The bank would primarily accept deposits of public funds and is prohibited from accepting private funds, except under specific conditions, and would pay interest on public deposits at competitive rates and receive appropriations from the general fund to fulfill its duties. Excess income earned by the bank would be transferred to the General Fund after covering operational expenses and reserves.
New Jersey	Senate Bill 2310 (2026) See also: SB1144 (2024) ; AB619 (2024) ;	Referred to the Senate Commerce Committee	<i>Establish Bank</i>	A proposal for the establishment of a state-owned financial institution premised on the need to improve access to capital for individuals and businesses, particularly in response to economic downturns, and aims to promote small businesses, fair educational lending, housing, infrastructure, community and economic development, and industry. The bank would serve as a funding resource in partnership with other financial institutions and public entities. It would be authorized to receive deposits of state funds guaranteed by the state. The bank may also accept deposits from any public source, including state agencies and political subdivisions. It would be governed by a 13-member board headed by the State Treasurer or the State Treasurer's designee.
New Mexico	House Bill 130 (2025) See also: HB75 (2022) ; SB313 (2021)	Postponed indefinitely	<i>Establish Bank</i>	The legislation would create a state-run financial institution that will operate as a public body corporate, governed by a board of directors comprising 11 members with diverse expertise in banking, finance, and community development. The bank would be authorized to engage in various financial activities, including accepting deposits, making loans, and investing in public projects, with a focus on supporting agriculture, commerce, and industry for public benefit. It would be prohibited from making loans to private individuals or entities, except under specific conditions. The legislation would also establish the State Banking Fund to finance the bank's operations, and the state treasurer would initially administer it until the bank is formally chartered. A total of \$50 million



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				would be appropriated from the General Fund to capitalize the bank, with an additional contingent appropriation of \$60 million upon the bank's incorporation and chartering.
New York	Senate Bill 1996 (2026) See also: AB7306 (2026) ; AB6308 (2026) ; SB1755 (2023) ; AB2720 (2023)	Died in the House, returned to the Senate	<i>Study Feasibility</i>	It would establish a temporary commission to study the feasibility of creating a state-owned public bank or a network of public banks. The commission would be appropriated \$500,000 to conduct the study with a final report due to the General Assembly within seven months of enactment.
Oregon	Senate Bill 583 (2025) See also: HB2966 (2025) ; HB2763 (2023)		<i>Study Feasibility</i>	The legislation would establish the State Public Bank Task Force to study and make recommendations on the creation of a state public bank. The 19-member task force would comprise appointees from the President of the Senate, the Speaker of the House of Representatives, and the Governor. The task force's responsibilities would include exploring the potential benefits and harms of a state public bank, examining possible governing and corporate structures, and considering ways to capitalize the bank. The final report would be due to the Legislature and Governor on or by September 1, 2026. The Oregon Business Development Department would be allocated \$431,562 from the General Fund for the biennium starting July 1, 2025, to provide staff support for the study.
Washington	House Bill 2469 (2026)	Referred to House Consumer Protection and Business Committee	<i>Study Feasibility</i>	Recognizing North Dakota's successful state public bank, this bill would establish a task force to study the feasibility of creating a Washington State Public Bank modeled after the Bank of North Dakota. The final report would be due to the legislature on or before December 1, 2026. The 16-member task force would comprise three community bank representatives, three credit union representatives, and two representatives each from the farming, mining, logging, transportation, and commercial building industries.
Washington	Senate Bill 5754 (2026)	Passed first committee, pending hearing	<i>Establish Bank</i>	If passed, it would establish a state-owned public depository bank to enhance public financing for infrastructure and economic



State	Measure (Year)	Status	Action Type	Summary
	See also: HB2556 (2026) ; SB5509 (2023) ; SB5188 (2021)	in the Senate Ways and Means Committee		development projects, thereby reducing reliance on private banking and bond issuance by leveraging state funds to provide loans and financial assistance to local and tribal governments. It would support projects in critical areas, including but not limited to housing, transportation, and healthcare. Operations would be overseen by a board of directors, comprising elected officials and appointees with financial expertise in infrastructure, with the state treasurer responsible for transferring necessary funds from the state's general fund. The legislation would also amend existing laws to permit local governments to invest in the bank and its bonds, facilitating broader participation and investment. The bank would operate in accordance with standard banking practices, leveraging deposits to expand loan capacity. It would be independent of large private banks, keeping revenues within the state and benefiting local economies. Importantly, any bonds would not create state debt and would be obligations solely of the public bank.
West Virginia	House Bill 4687 (2026) See also: HB2464 (2025)	Died without a hearing in the House Finance Committee	<i>Establish Bank</i>	The bill would have created a state bank to serve as a state-managed depository for gold bullion and precious metals overseen by an administrator appointed by the State Treasurer with the consent of the State Senate and Governor. Bank holdings would be unable to be legislatively appropriated and could be used only to fulfill obligations to account holders, while any service fees and charges would be deposited into the state's General Revenue Fund. The State Treasurer would have been responsible for establishing exchange rates, facilitating tax reporting for deposits and withdrawals, but the bank would be unable to pay interest on deposits.
Wisconsin	Assembly Bill 1220 (2024) See also: SB1106 (2024)	Died without a hearing in the House Financial Institutions Committee	<i>Establish Bank</i>	It would have established a state-chartered bank designed to manage public funds and support economic development, job creation, and environmental initiatives within the state. The bank would be distinct from a state agency and governed by an 11-



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State	Measure (Year)	Status	Action Type	Summary
				member board, including state officials and appointees by the governor, and managed by a CEO responsible for its operations. The bank's objectives would have included providing affordable financing to underserved communities, supporting minority- and women-owned enterprises, promoting sustainable agriculture, and offering low-cost student loans. It would also have allocated \$250 million annually for two years to support initial operations and loan programs.