

Cannabis Regulatory Commission

Regular Meeting

Thursday, October 20, 2016, 6:30 p.m.

Council Chambers, City Hall, One Frank H. Ogawa Plaza

AGENDA

Members:

Dale Gieringer	District 1	Jacob Sassaman	District 7
Chang Yi	District 2	A. Kathryn Parker	At Large
Zach Knox	District 3	Sunshine Lencho	Mayor
Vacant	District 4	Amanda Reiman	City Auditor
Matt Hummel	District 5	Joe DeVries	City Administrator
Terryn Buxton	District 6		

Available on-line at: <http://www.oaklandnet.com/measurez>

MEETING AGENDA

- A. Roll Call and Determination of Quorum
- B. Open Forum / Public Comment
- C. Review of the Pending List and Additions to Next Month's Agenda
- D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of 9-15-16.
- E. Reports for Discussion and Possible Action
 - 1. A discussion and possible action on the creation of a Community Bank in Oakland. (see attached article and draft resolution)
- F. Announcements
- G. Adjournment

Persons may speak on any item appearing on the agenda; however a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

♿ This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-3301.

Cannabis Regulatory Commission

Regular Meeting

Thursday, September 15, 2016, 6:30 p.m.
Council Chambers, City Hall, One Frank H. Ogawa Plaza

MINUTES

Members:

Dale Gieringer	District 1	Jacob Sassaman	District 7
Chang Yi	District 2	A. Kathryn Parker	At Large
Vacant	District 3	Sunshine Lencho	Mayor
Vacant	District 4	Amanda Reiman	City Auditor
Matt Hummel	District 5	Joe DeVries	City Administrator
Terryn Buxton	District 6		

Available on-line at: <http://www.oaklandnet.com/measurez>

MEETING AGENDA

A. Roll Call and Determination of Quorum

Members Present: Reiman, Yi, Hummel, Buxton, Sassaman, Parker, DeVries
Members Absent: Gieringer, Lencho.

B. Open Forum / Public Comment

Joey Jelinek asked questions about Oakland's licensing status, it was explained that licensing is currently on hold.

Ben Seabright asked about the 25% ownership requirement being proposed by some City Council Members and it was explained that the idea would be discussed at the Public Safety Committee on September 27th, not by the CRC.

C. Review of the Pending List and Additions to Next Month's Agenda

a. A Discussion on Public Banking, article attached in PDF or click this link:

<http://www.truth-out.org/news/item/37343-public-banks-could-break-the-impasse-over-marijuana-money>

Chairperson Hummel added the Public Banking item to the October agenda.

C. Approval of the Draft Minutes from the Cannabis Regulatory Commission meeting of 8-18-16.

Persons may speak on any item appearing on the agenda; however a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

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The September Minutes were approved unanimously.

E. Reports for Discussion and Possible Action

1. A continued discussion and possible action on Proposition 64. (see attached ad hoc committee recommendations)

The Commission reviewed the recommendations made by the ad hoc committee and submitted in the agenda packet. Member Sassaman had several additional concerns he raised that were not included in the ad hoc committee recommendation. Those included the following concerns:

- *New misdemeanor charges stemming from cannabis possession*
- *The provisions allowing Type 5, 5A, and 5B large scale farms to begin a few years after passage of the proposition which will potentially lead to monopolization and the end of family farms*
- *The new \$9.25 per ounce tax that could hurt small businesses*
- *2nd amendment concerns for patients who register and then could lose their right to bear arms*

Several Public Speakers also raised concerns:

Michael Allaire noted that Prop 64 is good on the front end but then bad on the back end referencing the slow implementation of licensing for cottage farms (such as under AB2516)

Alex Zavelle encouraged Oakland to make sure its lobbyist immediately begins pushing for reforms in Sacramento, advocate striking the Type 5 licenses, and work to change the tax from the AUMA flat tax to a tiered system like in AB 2344.

Nina Parks shared the concern about type 5 licenses, wants to see separation between legislation regarding cannabis and industrial hemp, and also is concerned about safe public places to consume; in particular because she worries People of Color will continue to be targeted by law enforcement when consuming cannabis in their cars which is a common practice.

Lawrence Nepal suggested asking the CA Legislature to appeal to Congress to reclassify Cannabis from its Schedule 1 status.

Paul Simoneon raised concerns about roadside DUI checks and the need for sound policy in this arena.

Rob Raich added that all new misdemeanors should be stricken from the law.

Karen Byers noted that Prop 64 is a big step in the right direction and after it passes it's the job of the CRC (and others) to keep it moving in the right direction.

James Anthony also pushed for Prop 64 and urged the importance of the community staying united to not miss this opportunity.

Sean Cameron asked that the CRC not make a recommendation citing major problems in Washington State.

Member Sassaman made a motion to add the following recommendations:

Not allow type 5, 5A, and 5B Farms to sunrise, provide immediate support for AB2516 to allow for cottage farms, and that the legislature remove any misdemeanors related to Cannabis as soon as the law passes.

This motion passed and the entire list of (modified) recommendation passed as well.

2. An update on the concerns over arrests at Oakland International Airport of persons transporting Medical Cannabis.

Joe DeVries reported that he had reached out to two supervisors over airport security at the Alameda County Sheriff's Department but was not responded to. He also read an email report from Member Gieringer who also researched the issue. That report is copied below:

"I investigated the reports of marijuana busts at Oakland airport by the Alameda Sheriff, which are scheduled for discussion at our next meeting. Since I can't make that meeting, let me report what I found.

I was referred to an attorney who has had several recent cases in which people were arrested on felony charges for trying to fly MJ out of Oakland. However, every case involved more than 8 ounces, the standard personal medical use allotment for transportation.

In one case, a suspect was recently caught at airport security with 2 1/2 lbs. of sealed marijuana trying to board a flight to Chicago. He presented his medical ID to the sheriff's deputy. The deputy was about to cite him and let him go on his flight, but was interrupted by a phone call from his superiors. "A new task force has been created" he said to the suspect, "I'm afraid I'll have to arrest you." He was duly arrested and missed his flight. His attorney asked for a misdemeanor, but he's being held on felony 11359 and 11360 w/ \$50k bail.

The Sheriff's office said that the man would not have been stopped had he had eight ounces or less. Thus the sheriff seems to be following the "personal use" policy for MMJ at Oakland airport.

What's interesting is that in the past, similar suspects with more than eight ounces were reportedly released and allowed on the plane after being cited and having their marijuana taken.

Apparently the Sheriff is concerned that Oakland airport has got a reputation for being a free port for MJ traffickers. Therefore, he has set up a task force to address the problem, which has resulted in increased arrests. Thankfully though he is sticking firm to the eight ounce rule, which is ample for most patients.

So far, I've heard of no reports about any patients being busted for less than 8 oz., nor any violations of Oakland Measure Z."

Dale Gieringer, Oakland Cannabis Regulatory Commission

There was some further discussion about this policy and the inconsistent enforcement of it. It was noted that someone who once was able to travel with a pound of cannabis was later charged with a felony. It was suggested that dispensaries warn out-of-town visitors about the airport policy (which is in lone with SB 420) to avoid more arrests.

Member Reiman noted that California, and Oakland in particular are known for being the origin of a lot of cannabis that does not stay in the state.

F. Announcements

It was noted that the State Bureau of Medical Cannabis is convening a meeting at the State Building on September 20th.

G. Adjournment

The meeting adjourned at 8:20pm.

OAKLAND CANNABIS REGULATORY COMMISSION

RESOLUTION OF THE OAKLAND CANNABIS REGULATORY COMMISSION TO CREATE A PUBLIC BANK OF OAKLAND.

WHEREAS, Oakland's Cannabis industry is severely limited in its ability to access financial services; and

WHEREAS, in light of the probable passage, based on polling, of California's Proposition 64 ("Marijuana Legalization Initiative"), Oakland's Cannabis industry will be in even greater need of access to financial services; and

WHEREAS, it is in the City of Oakland's best interest to ensure that Oakland's Cannabis industry has access to secure and safe financial services, including depository services; and

WHEREAS, there is no indication that the Federal Government will declassify Cannabis any time in the near future, a restriction that effectively prevents existing financial institutions from providing financial services to the cannabis industry; and

WHEREAS, the U.S. Department of Justice issued a memorandum ("Cole Memo") to clarify how financial institutions can provide services to marijuana-related businesses, and the U.S. Department of Treasury subsequently issued guidelines [**FIN-2014-G001**, tinyurl.com/j2tumot] outlining the conditions under which a financial institution may accept as a customer an entity participating in the Cannabis industry; yet no California bank has accepted such a customer; and

WHEREAS, Commonomics USA, an interest group advocating Public Banking, has published an article, *Public Banks Could Break the Impasse Over Marijuana Money*, tinyurl.com/zmln2od, detailing the advantages of using a public bank to provide financial services to the Cannabis industry; and

WHEREAS, the Public Bank of Oakland will be mandated to serve the public interest of the people of Oakland; and

WHEREAS, Whereas, the charter of the Public Bank of Oakland can be written to allow it to provide depository and other financial services to the Cannabis industry, and

WHEREAS, there is good reason, based on the above referenced Department of Justice guidelines, to believe that the Public Bank of Oakland will be able to establish a working relationship with the U.S. Departments of Justice and Treasury to allow it to accept Cannabis industry monies; and

WHEREAS, the state of North Dakota created a state publicly-owned bank (the Bank of North Dakota) in 1919 for the benefit of the people of North Dakota; and

WHEREAS, the Bank of North Dakota's reported its 12th consecutive year of record profits, earning \$130.7 million in net income, much of which has been returned to the General Fund of North Dakota, and

WHEREAS, public bank supporters in Philadelphia will be presenting to their City Council a proposal to create a Public Bank, which addresses mission, operations, capitalization, deposit base, governance, management and start-up, and

WHEREAS, a comprehensive feasibility study completed for the City of Santa Fe found that that a public bank is feasible and has the potential to provide enhanced fiscal management, improved net interest rate margins, and a more robust local lending climate, and

WHEREAS, a resolution will soon come before the Santa Fe City Council to appoint a Public Bank for Santa Fe Task Force that will convene and develop a product that will define the process, resources, information and timelines to be met in order to be prepared to submit an application for a New Mexico Bank Charter for a Public Bank for Santa Fe, and

WHEREAS the only Democratic candidate for New Jersey Governor, Phil Murphy, has made "a Public Bank to invest directly in – and for - New Jersey" a major part of his platform; and

WHEREAS, public banking groups in New Hampshire, Maine, New Jersey, Pennsylvania, Seattle, Colorado, and Portland are actively pursuing the creation of a public bank for their cities or states;

NOW THEREFORE BE IT RESOLVED: That the Oakland Cannabis Regulatory Commission recommend to the Oakland City Council that they establish a Public Bank of Oakland with all due diligence and speed; and

FURTHER RESOLVED: That the Oakland Cannabis Regulatory Commission recommend that the Oakland City Council direct the City Administrator or his/her designee, as a first step in creating a Public Bank of Oakland, to create a detailed operational plan for establishing a public bank; and be it

FURTHER RESOLVED: That the Oakland Cannabis Regulatory Commission recommend that the Oakland City Council direct the City Administrator or his/her designee, to seek professional advice from public banking experts to understand the technical and regulatory details necessary to create enabling legislation satisfying State and Federal regulatory requirements; and be it

FURTHER RESOLVED: That the Oakland Cannabis Commission recommend that the Oakland City Council direct that the research creating the operational plan investigate the legal and practical considerations of allowing the Public Bank of Oakland to be capitalized, in part or whole, through loans or other financial instruments from the Cannabis industry.

PASSED BY THE FOLLOWING VOTE:

AYES

NOES

ABSENT

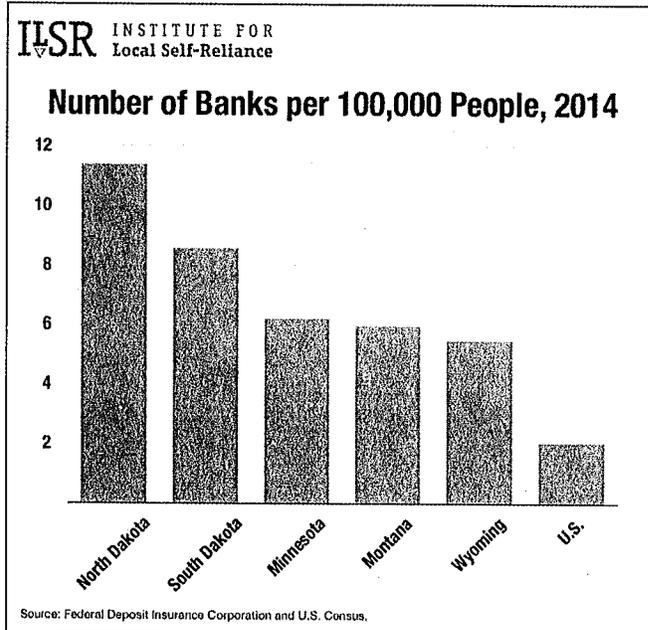
ABSTENTION

Date: October 20, 2016

Public Banks: Bank of North Dakota

North Dakota is the only state that has established a publicly owned bank. Founded in 1919, the Bank of North Dakota's mission is to "promote agriculture, commerce, and industry" and "be helpful to and assist in the development of... financial institutions... within the State."

BND functions mainly as a "banker's bank" — meaning that most of its lending is done in partnership with local banks and credit unions. About half of the bank's \$3.9 billion loan portfolio consists of business and

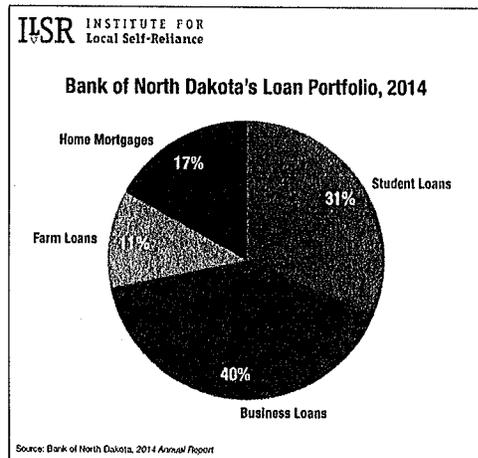


agricultural loans that are originated by a local financial institution and funded in part by BND. By participating in these loans, BND expands the lending capacity of North Dakota's community banks, giving them added strength in competing against big out-of-state banks.

The remainder of BND's loan portfolio consists of residential mortgages and student loans. In keeping with its mission to support, rather than compete with, local banks, BND does not make home loans directly. Instead, it provides a secondary market, buying up mortgages originated by the state's local banks and credit unions.

Student loans are the only part of the bank's lending in which it works directly with borrowers. At a time when many students leave college burdened by high-interest rate loans, BND offers some of the lowest student loan rates in the country.

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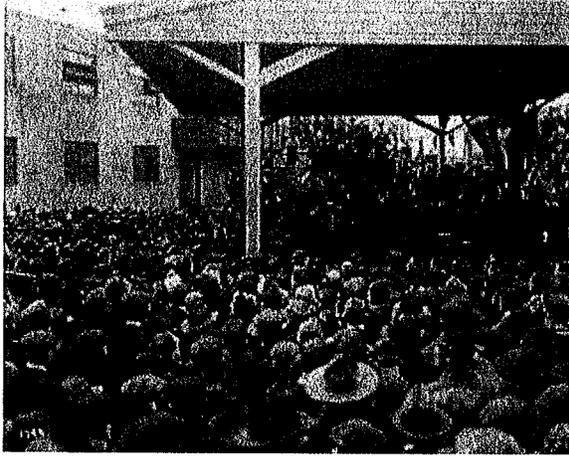
Thanks in large part to BND, community banks are much more numerous and robust in North Dakota than in other states. North Dakota has more banks and credit unions per capita than any other state. In fact, it has nearly *six times* as many local financial institutions per person as the country overall. While locally owned small and mid-sized banks and credit unions (those under \$10 billion in assets) account for only 29 percent of deposits nationally (see [this graph](#)), in North Dakota they have a remarkable 83 percent of the market.

By helping to sustain a large number of local banks and credit unions, BND has strengthened North Dakota's economy,

enabled small businesses and farms grow, and spurred job creation in the state.

Over the last 21 years, BND has generated almost \$1 billion in profit. Nearly \$400 million of that, or about \$3,300 per household, has been transferred into the state's general fund, providing support for education and other public services, while reducing the tax burden on residents and businesses.

History and Structure



Desperately poor and tired of being at the mercy of out-of-state economic powers, North Dakota's farmers launched the Nonpartisan League in 1915. This political party united progressives, reformers, and radicals behind a platform that called for returning control of the state's economy to its people. At the time, farmers were utterly dependent on out-of-state grain milling companies, national railroads, and Minneapolis banks, all of which had been gouging farmers.

In the 1918 elections, the League won both houses of the legislature. One of the first bills these new lawmakers passed created a publicly owned grain mill, the North Dakota Mill and Elevator, and a publicly

owned bank, the Bank of North Dakota(BND).

The Nonpartisan Leader



BND is governed by the state's Industrial Commission, consisting of the governor, attorney general, and the commissioner of agriculture, all elected officials. The commission, in effect, serves as the bank's board of directors. The bank also has a seven-member advisory board, which is appointed by the Governor and consists of people with expertise in banking, including representatives of community banks.

The primary deposit base of the BND is the State of North Dakota. All state funds and funds of state agencies (excluding pension funds and trusts managed by the state) are deposited with the bank. The bank pays a competitive interest rate that is generally at about the midpoint of rates paid by other banks in the state.

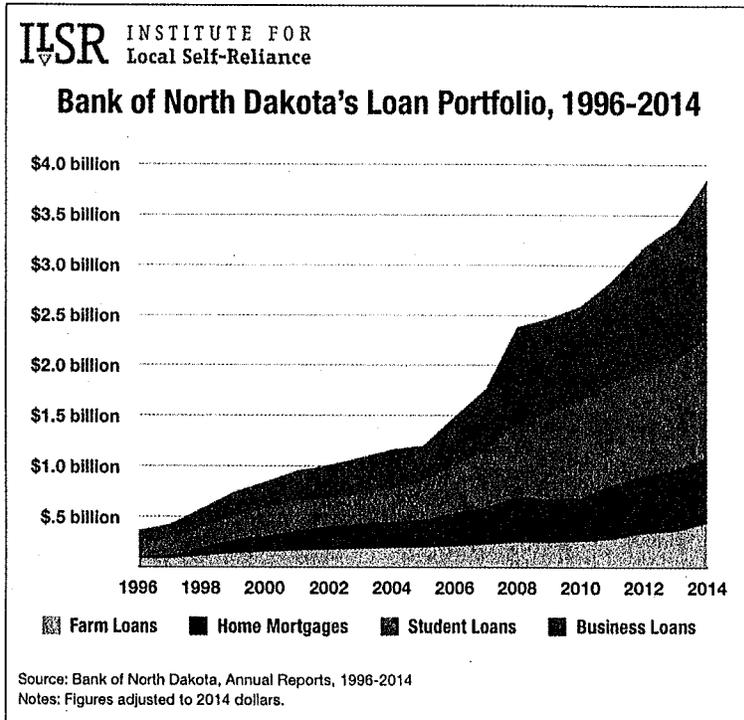
Individuals may also open accounts at the bank, but BND does not market these services and does not have ATMs, branch offices, and other standard features common to retail banks. This is in keeping with the bank's mission to support local banks, rather than compete

with them.

In contrast to most commercial banks, BND is not a member of the Federal Depository Insurance Corporation. Its deposits are instead guaranteed by the state of North Dakota.

Capitalizing the Local Economy

The core mission of the Bank of North Dakota is to cultivate the state's economy by supporting local banks and credit unions. The more these community-based financial institutions flourish, the thinking goes, the more capacity they have for financing new and growing businesses. BND works with almost all of the state's 89 local banks and many of its credit unions.



One of the chief ways BND fulfills this mission is through its lending. The bank's \$3.9 billion loan portfolio has four main components: business, farm, residential, and student loans.

Its business and farm loans, which comprise half of its lending, are almost exclusively "participation" loans. These loans are originated by local banks and credit unions, but BND provides part of the funds. In doing so, BND expands the lending capacity of the state's local financial system. At the end of 2014, BND had almost \$2 billion in participation loans in its portfolio, an amount equal to 10 percent of the total value of loans outstanding on the books of the state's small and mid-sized community banks and credit unions. This partnership helps local

banks compete is by enabling them to make larger loans than they could on their own. As their business customers grow and require larger loans, North Dakota's local banks, with the support of BND, can continue to meet their needs, rather than lose these borrowers to large out-of-state banks.

Another segment of BND's portfolio is comprised of mortgages. About 20 years ago, the bank began buying home loans made by local banks and credit unions. At the time, local banks were looking for an alternative to the conventional secondary mortgage market. They no longer wanted to sell their home loans to Wells Fargo and other large banks, a practice that was giving their biggest competitors a steady stream of new customers. BND stepped in and offered to purchase their mortgages instead. This gave local banks a way to move loans off their books, thus freeing them up to make new loans, but without handing the business to their competitors.

This arrangement also benefits borrowers. First, BND services the mortgages it buys, ensuring that North Dakota homeowners continue to have in-state servicing for their loans. Second, it ensures that the mortgage interest homeowners pay each month stays in the state rather than flowing to Wall Street. In 2010, BND purchased about 7 percent of the home loans originated in the state. It currently holds about \$650 million in residential mortgages. Between BND's mortgages and those held by local banks and credit unions, roughly 20-25 percent of the state's mortgage debt is held and serviced within North Dakota.

The final component of BND's loan portfolio consists of student loans. This is the only area of lending in which the bank works directly with borrowers. BND offers loans to state residents enrolled in schools located anywhere, as well as to out-of-state residents attending schools in North Dakota or any adjacent state. Its interest rates are widely regarded as some of the lowest in the country. In early 2015, the bank's rates were about 2 percent for a variable-rate loan and 5 percent for a fixed-rate — substantially lower than the 10-15 percent rates typical of private student loans. In April 2014, the bank launched a new program that allows residents to consolidate their student loan debt. By the end of the year, the bank had refinanced over \$100 million in student loans, saving borrowers money by cutting their interest payments.

Backing Community Banks and Credit Unions

BND supports the state's financial institutions in other ways as well. One of its explicit goals is to expand local ownership of banks and increase their capitalization. To this end, the bank has a bank stock loan program, which provides loans to finance the purchase of bank stock by North Dakota residents. In 2008, for example, BND provided a loan to help the employees of Ramsey National Bank & Trust in Devil's Lake, North Dakota, gain a controlling interest in the bank, ensuring that this institution, which was founded in 1892 and has about \$200 million in assets, would continue to be owned locally.

BND functions as a kind of mini Federal Reserve. It clears checks for both banks and credit unions, provides coin and currency, and maintains an Automated Clearing House system that allows local banks to offer direct deposit and automated payment services to their customers. Its Federal Funds program assists local banks with short-term liquidity needs and has a daily volume of over \$300 million.

The state bank also enables North Dakota's local banks to take deposits and manage funds for municipal and county governments. This is rare in other states, because banks must meet fairly onerous collateral requirements in order to accept public deposits. This can make taking public funds more costly than it's worth. But in North Dakota, those collateral requirements are waived by a letter of credit from BND. This gives local banks an additional source of deposits and benefits residents by ensuring that their city and county funds are held locally rather than turned over to distant Wall Street banks.

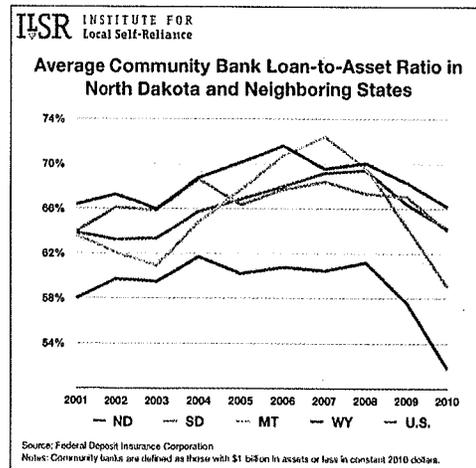
In tough economic times, BND helps stabilize North Dakota's banking system. During the aftermath of the recent financial meltdown, as community banks in other states struggled to retain sufficient capital levels as many of the loans on their books went unpaid — a balance-sheet crisis that caused a staggering number to fail — North Dakota's banks turned to BND. The state bank helped them increase their capital ratios by buying loans on their books and infusing them with new equity investment through its bank stock loan program.

Federal data show that North Dakota's local banks are healthier than their peers. They are more efficient, devote more of their resources to productive lending, and earn better returns on their assets than community banks nationally.

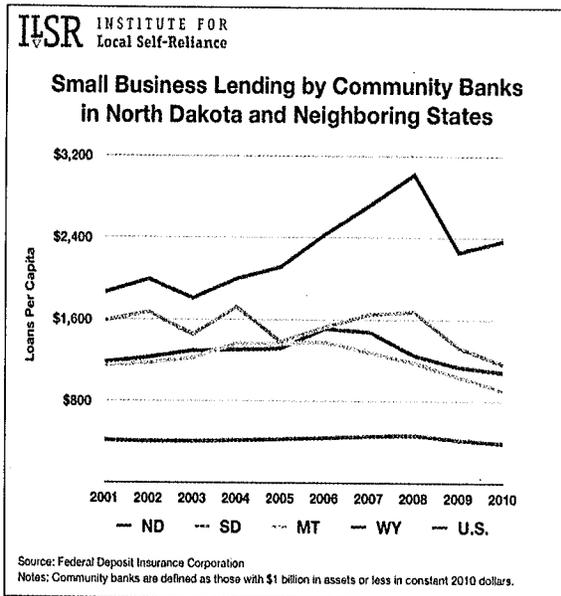
Impact of the Bank of North Dakota

BND has helped North Dakota maintain a local banking sector that is markedly more robust than that of other states. North Dakota has more local banks (relative to population) than any other state. Over the last ten years, the amount of lending per capita by small community banks (those under \$1 billion in assets) in North Dakota has averaged about \$12,000, compared to \$9,000 in South Dakota and \$3,000 nationally. The gap is even greater for small business lending. North Dakota community banks averaged 49 percent more lending for small businesses over the last decade than those in South Dakota and 434 percent more than the national average. (To see graphs of these measures and others, go [here](#).)

Not only are community banks more numerous and more active in North Dakota, but there is some indication that the Bank of North Dakota has enabled them to maintain a higher average loan-to-asset ratio — meaning they are able to devote more of their assets to economically productive lending, rather than safer holdings like U.S. government securities. North Dakota's community



banks have generally maintained a higher average loan-to-asset ratio than their counterparts in four neighboring states and nationwide. That ratio also declined much less steeply during the recession.



Expanding Economic Opportunity

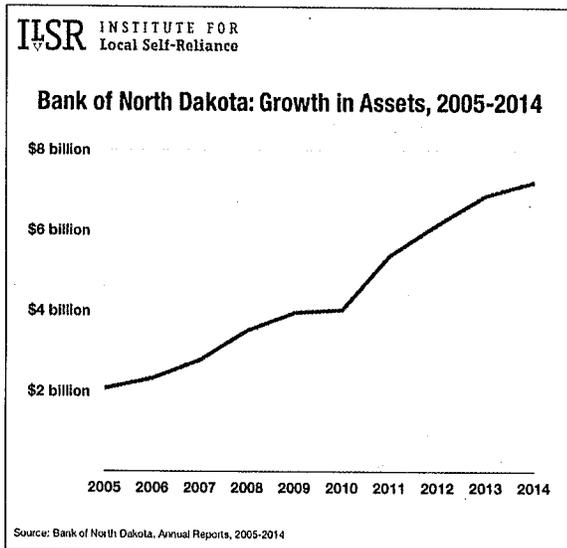
By and large, BND is run on a for-profit basis. The bank evaluates loan opportunities according to how likely they are to be repaid and provide a return for BND. As the bank's president and chief executive, Eric Hardmeyer, said in an interview with American Banker magazine, "If you are going to have a state-owned bank, you have to staff it with bankers. If you staff it with economic developers you are going to have a very short-lived, very expensive experiment. Economic developers have never seen a deal they didn't like. We deal with that every day."

BND does forego some profit, however, in order to further economic development in the state. The bank offers several programs that accept higher levels of risk or lower returns on certain kinds of loans. Through its

PACE Fund ("Partnership in Assisting Community Expansion"), for example, BND buys down the interest rate by 1-5 percent for some job-creating business loans. In 2009, this program saved business borrowers \$3.5 million in interest payments. BND makes about 50 of these loans a year (all in partnership with a community bank and a local economic development entity) and currently has about 300 outstanding, valued at \$50 million. BND operates a similar program for farmers called Ag PACE.

BND also has a Business Development Loan Program, which enables new and existing businesses to obtain loans that have a higher degree of risk than would normally be acceptable to a lending institution, while its

Beginning Entrepreneur Loan Guarantee Program guarantees 85 percent of a loan of up to \$100,000 made by a local bank to a start-up entrepreneur.



Profitability and Returns for the State

At the of end of 2014, the Bank of North Dakota had \$652 million in capital and \$7.2 billion in assets. The bank has grown substantially over the last two decades. Its assets have expanded sevenfold, and its net income, or profit, rose from \$22 million in 1995 to \$111 million in 2014.

Although BND has foregone some profit in order to expand credit and lower the cost of loans for borrowers in North Dakota, the bank still earns a very healthy return on its assets. BND's ROA, or return-on-assets, a standard measure of bank performance, was 1.54 percent in 2014, compared to an average ROA of 1.01 percent for all banks nationwide.

Part of the bank's profits are used to expand its capital base, which in turn enables it to make more loans. The rest are paid into the state government's general fund, reducing the amount of tax revenue the

	BND's Profit	BND's Contribution to the State's General Fund
1995	\$22 million	\$19 million
1996	\$23 million	\$19 million
1997	\$26 million	\$13 million
1998	\$28 million	\$30 million
1999	\$30 million	\$15 million
2000	\$33 million	\$25 million
2001	\$33 million	\$25 million
2002	\$32 million	\$30 million
2003	\$32 million	\$30 million
2004	\$34 million	\$30 million
2005	\$36 million	\$30 million
2006	\$43 million	\$30 million
2007	\$51 million	\$30 million
2008	\$57 million	\$30 million
2009	\$58 million	\$30 million
2010	\$62 million	-
2011	\$70 million	-
2012	\$82 million	-
2013	\$94 million	-
2014	\$111 million	-
TOTAL	\$957 million	\$385 million

state needs to collect. How much of each year's earnings are transferred to the state is determined through negotiations between the legislature and the bank's Governing Board. Over the last 20 years, BND has made \$385 million in payments to the general fund. That works out to about \$3,300 per family — meaning North Dakota households received \$3,300 more in public services than they had to pay for through taxes.

BND provides other direct financial benefits to the state. It can borrow at the Federal Reserve's discount window, for example, and lend directly to local governments at lower rates than the municipal bond market provides.

BND can also provide emergency financing that would otherwise have to be shouldered solely by state and local government. When the Red River valley underwent massive flooding in 1997, BND quickly established a \$25 million line of credit for the City of Grand Forks, \$12 million for the University of North Dakota in Grand Forks, and \$25 million for state emergency management. It also set up a disaster relief

loan program for families and businesses. Partly as result of this support, the Grand Forks economy recovered much more quickly than its sister city of East Grand Forks just across the river in Minnesota.

More:

[Bank of North Dakota web site](#)

[Video: Bank of North Dakota](#)

This 26-minute video, produced by Prairie Public Broadcasting, chronicles the bank's history and current operations.

[North Dakota State Statutes](#)

See sections beginning at 6-09 for the portion of the code that establishes the bank and governs its operations.

[Policy of the Bank of North Dakota](#)

Adopted in 1920, sets out the mission and purpose of the bank.

[Testimony from Stacy Mitchell before the Maryland House of Delegates Economic Matters Committee on HB0794 \[PDF\], a bill to authorize a task force on public banking, February 2016](#)

[Oregonians for a State Bank](#)

[Oregon State Bank FAQ](#)

[Center for State Innovation's Analysis of an Oregon State Bank](#)

[Banking on America: How Main Street Partnership Banks Can Improve Local Economies, Demos, April 2011](#)

[The Maine Partnership Bank: Promote a strong and resilient local financial system by partnering with Maine community institutions, report by Jared Gardner, March 2013](#)