

1 A JOINT RESOLUTION directing the establishment of the Public Bank Task
2 Force.

3 WHEREAS, public banks are banks that are owned, controlled, and principally
4 funded by a state, local government, or other government entity rather than by private
5 investors; and

6 WHEREAS, a public bank has been successfully operated in North Dakota since
7 1919; and

8 WHEREAS, the Bank of North Dakota serves as the depository for all state funds,
9 uses its deposit base and capital to make loans in accordance with the state's public policy
10 directives, and returns the profits it generates to the state; and

11 WHEREAS, the Bank of North Dakota works to support, rather than compete with,
12 privately owned state-chartered financial institutions by partnering with those institutions
13 to provide financing to stimulate economic development in the state; and

14 WHEREAS, several states, including Kentucky, chartered and operated public or
15 semi-public banks during the 19th century; and

16 WHEREAS, in 2019, California enacted legislation authorizing the creation of
17 public banks in that state; and

18 WHEREAS, within the past five years, legislation has been filed in more than a
19 dozen states and in the United States Congress seeking to establish or study the
20 establishment of public banks; and

21 WHEREAS, public banks may be used to generate revenue, strengthen the
22 economy, support economic development, and streamline existing infrastructure and
23 credit programs in Kentucky; and

24 WHEREAS, public banks may also be used to improve the operation of public
25 investments and assets, including retirement, pension, and other public benefit accounts;
26 and

27 WHEREAS, numerous public agencies in Kentucky are currently engaged in

1 lending activities and use revenue generated from agency activities to fund their
2 operations;

3 NOW, THEREFORE,

4 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

5 ➔Section 1. The Legislative Research Commission shall establish the Public
6 Bank Task Force to study the establishment of one or more public banks in Kentucky.

7 ➔Section 2. The duties of the task force shall include without limitation:

- 8 (1) Assessing public banking models, including the Bank of North Dakota;
- 9 (2) Examining existing state-supported infrastructure and credit programs, as well
10 as the operation of public investments and assets, in Kentucky;
- 11 (3) Evaluating the potential cost savings, revenue, operational efficiencies, and
12 economic development that may be generated by one or more public banks;
- 13 (4) Identifying legal, policy, and organizational components of a viable public
14 bank in Kentucky, including without limitation:
 - 15 (a) The bank's purposes, structure, capital requirements, safety and soundness
16 protocols, and powers; and
 - 17 (b) Legislation that would be necessary to establish one or more public banks;
- 18 (5) Assessing the economic feasibility and start-up costs associated with a viable
19 public bank in Kentucky;
- 20 (6) Evaluating potential funding sources for establishing a public bank in
21 Kentucky;
- 22 (7) Evaluating the number and location of viable public banks initiatives in
23 Kentucky; and
- 24 (8) Evaluating the impact of one or more public banks to existing banks and
25 financial institutions in Kentucky.

26 ➔Section 3. The Public Bank Task Force shall be composed of the following
27 members, with final membership of the task force being subject to the consideration and

1 approval of the Legislative Research Commission:

2 (1) Two members of the House of Representatives appointed by the Speaker of
3 the House of Representatives, one of whom shall be designated by the Speaker of the
4 House of Representatives as the co-chair of the task force;

5 (2) One member of the House of Representatives appointed by the Minority Floor
6 Leader of the House of Representatives;

7 (3) Two members of the Senate appointed by the President of the Senate, one of
8 whom shall be designated by the President of the Senate as a co-chair of the task force;

9 (4) One member of the Senate appointed by the Minority Floor Leader of the
10 Senate;

11 (5) The Kentucky State Treasurer or designee;

12 (6) The secretary of the Kentucky Finance and Administration Cabinet or
13 designee;

14 (7) The secretary of the Kentucky Cabinet for Economic Development or
15 designee;

16 (8) The commissioner of the Department of Financial Institutions or designee;

17 (9) The commissioner of the Department for Local Government or designee;

18 (10) The director of the Office of State Budget Director or designee; and

19 (11) One representative of the Kentucky Bankers Association.

20 ➔Section 4. During its first or any subsequent meeting, the task force may
21 consider and submit a list of names to the Speaker of the House and the President of the
22 Senate for the appointment and confirmation of the following additional task force
23 members:

24 (1) One representative of a public pension fund in Kentucky;

25 (2) One representative of a public agency in Kentucky that engages in lending
26 activities; and

27 (3) Two university professors or other experts, with expertise in the field of

1 public banking, banking, or public finance.

2 →Section 5. The task force shall meet monthly during the 2021 Interim of the
3 General Assembly. The task force shall submit findings and recommendations to the
4 Legislative Research Commission for referral to the appropriate committee or committees
5 by December 1, 2021.

6 →Section 6. The executive branch of government shall promptly provide
7 necessary staff, data, research, information, and other requested support to assist the task
8 force in the performance of its duties. Any person designated to serve as an executive
9 branch task force member shall possess experience and expertise in the designated
10 agency's operations and subject matter that is relevant to the duties of the task force.

11 →Section 7. Provisions of this Resolution to the contrary notwithstanding, the
12 Legislative Research Commission shall have the authority to alternatively assign the
13 issues identified herein to an interim joint committee or subcommittee thereof, and to
14 designate a study completion date.