

HOUSE BILL 1258

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By: **Delegates Gutierrez, Bobo, Carr, Cullison, Feldman, Frush, Howard, Hucker, A. Kelly, and B. Robinson**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland State Bank Task Force**

3 FOR the purpose of establishing the Maryland State Bank Task Force to review and
4 evaluate the creation of a Maryland State Bank; providing for the membership
5 and staffing of the Task Force; prohibiting members of the Task Force from
6 receiving certain compensation, but authorizing the reimbursement of certain
7 expenses; requiring a final report on or before a certain date; providing for the
8 termination of this Act; and generally relating to the creation of the Maryland
9 State Bank Task Force.

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That:

12 (a) There is a Maryland State Bank Task Force.

13 (b) The Task Force consists of the following members:

14 (1) a chair, appointed by the Governor;

15 (2) one member of the Senate Budget and Taxation Committee,
16 appointed by the President of the Senate;

17 (3) one member of the House Appropriations Committee, appointed by
18 the Speaker of the House;

19 (4) the State Treasurer, or the State Treasurer's designee;

20 (5) the Comptroller of Maryland, or the Comptroller's designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (6) the Secretary of Business and Economic Development, or the
2 Secretary's designee;

3 (7) the Commissioner of Financial Regulation, or the Commissioner's
4 designee;

5 (8) the Director of the Office of Finance Programs, or the Director's
6 designee;

7 (9) a representative of the Maryland Agricultural and Resource-based
8 Industry Development Corporation;

9 (10) a representative of the Maryland Small Business Development
10 Financing Authority;

11 (11) a representative of the Maryland and District of Columbia Credit
12 Union Association (MDDCCUA);

13 (12) a representative of the labor community;

14 (13) a representative of an academic and research economic policy
15 institution; and

16 (14) three members of the public knowledgeable about the State's
17 banking sector, finance and economic development, appointed by the Governor, of
18 which at least one is a member of the community banking community and one is a
19 member of the consumer advocacy community.

20 (c) The Department of Legislative Services shall provide staff support to the
21 Task Force.

22 (d) The Task Force shall be co-chaired by the presiding officer of the Joint
23 Committee for the Management of Public Funds and a representative of the Office of
24 the State Treasurer.

25 (e) A member of the Task Force:

26 (1) may not receive compensation as a member of the Task Force; but

27 (2) is entitled to reimbursement for expenses under the Standard
28 State Travel Regulations, as provided in the State budget.

29 (f) (1) The Task Force shall review and evaluate the creation of a
30 Maryland State Bank.

31 (2) The Task Force shall, at a minimum, undertake a review and
32 evaluation of a Maryland State Bank that would:

1 (i) support the economic development of the State by increasing
2 access to capital for businesses and farms within the State in partnership with local
3 financial institutions;

4 (ii) provide stability to the local financial sector without
5 entering into competition with community banks, credit unions, or other financial
6 institutions;

7 (iii) reduce the costs paid by the State for basic banking services;
8 and

9 (iv) return profits, beyond those necessary to accomplish the
10 mission and sound operations of the Bank, to the General Fund of the State.

11 (g) In undertaking the duties imposed under subsection (f) of this section, the
12 Task Force shall:

13 (1) perform a general assessment of the State's current network of
14 public and private financial resources for the purpose of identifying potential areas of
15 State bank focus, including how a State bank may:

16 (i) strengthen the economic and community development needs
17 of Maryland;

18 (ii) provide greater financial stability through its investments in
19 other financial institutions;

20 (iii) reduce the cost paid by State government for banking
21 services; and

22 (iv) generate earnings beyond those necessary for the continued
23 operation of the trust, which could be used to supplement the General Fund of the
24 State;

25 (2) examine how a State bank may support a strong private sector
26 financial community that would provide capital for businesses in Maryland;

27 (3) examine various administrative and operational structures for
28 organizing a State bank, including boards of directors, sources of deposits, oversight
29 and audit of financial activities, and guarantees of financial products;

30 (4) consider options for integrating a State bank model into the
31 existing State financial services network, including ideas such as lending capital to
32 banks, credit unions, and nonprofit community development financial institutions; and

1 (5) examine the long-term impact of creating a Maryland State bank
2 on economic growth, job creation, and State revenues.

3 (h) On or before December 1, 2012, the Task Force shall report its findings
4 and recommendations to the Governor and, in accordance with § 2-1246 of the State
5 Government Article, the Senate Budget and Taxation Committee and the House
6 Appropriations Committee.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 June 1, 2012. It shall remain effective for a period of 1 year and, at the end of May 31,
9 2013, with no further action required by the General Assembly, this Act shall be
10 abrogated and of no further force and effect.