

SENATE BILL 792

P2, I2
SB 547/11 – FIN

2lr2297
CF HB 571

By: **Senators Garagiola, Glassman, Kelley, King, Kittleman, Klausmeier, Madaleno, Manno, Mathias, Muse, Pugh, Raskin, Robey, and Young**

Introduced and read first time: February 3, 2012

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **State Procurement – Banking Services Preference – Lend Local Act of 2012**

3 FOR the purpose of requiring the State Treasurer, when deciding whether to
4 designate or make an agreement with a financial institution to provide certain
5 banking services to the State or an agency of the State, to consider whether the
6 financial institution is operating in the State with certain total assets and
7 commits to make loans to small businesses in the State in an aggregate amount
8 of at least a certain percentage of certain incremental funds; and generally
9 relating to the procurement of banking services by the State.

10 BY repealing and reenacting, without amendments,
11 Article – State Finance and Procurement
12 Section 6–201(a), (b), (e), and (f)
13 Annotated Code of Maryland
14 (2009 Replacement Volume and 2011 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – State Finance and Procurement
17 Section 6–203
18 Annotated Code of Maryland
19 (2009 Replacement Volume and 2011 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article – State Finance and Procurement**

23 6–201.

24 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) "Banking institution" means an institution that is incorporated under the
2 laws of the State as a State bank, trust company, or savings bank.

3 (e) "Financial institution" means:

4 (1) any banking institution;

5 (2) any national banking association;

6 (3) an institution that is incorporated under the laws of any other
7 state as a bank; and

8 (4) an institution that is incorporated under the laws of this State or of
9 the United States as a savings and loan association.

10 (f) "National banking association" means an institution that is incorporated
11 under federal law as a bank.

12 6-203.

13 (a) The Treasurer shall give 15% of the weight of the decision to the
14 standards established in this section in deciding whether to:

15 (1) designate a financial institution as a depository for State money
16 under § 6-205 of this subtitle; and

17 (2) make an agreement with a financial institution for a banking
18 service under § 6-229 of this subtitle.

19 (b) (1) The Treasurer shall consider whether the financial institution
20 received a rating of "needs improvement" or "substantial noncompliance" in its most
21 recent examination under the federal Community Reinvestment Act of 1977, P.L.
22 Number 95-128.

23 (2) If a financial institution operates in a state other than Maryland,
24 the Treasurer shall consider Maryland-specific information that is provided within
25 the assessment area section of the Community Reinvestment Act report.

26 (c) (1) The Treasurer shall consider whether, during the previous 5 years,
27 a court in Maryland has found, in a final adjudication, that a financial institution has
28 violated any antidiscrimination statute or regulation.

29 (2) The Treasurer may consider whether, during the previous 5 years,
30 a court outside Maryland has found, in a final adjudication, that a financial institution
31 has violated any antidiscrimination statute or regulation.

1 (3) The Treasurer may determine how to assess a violation under
2 paragraph (1) or (2) of this subsection if the violation was committed by:

3 (i) an affiliate of the financial institution; or

4 (ii) an entity acquired by the financial institution.

5 (d) The Treasurer shall consider whether the financial institution has
6 demonstrated that during the previous 5 years, the financial institution has:

7 (1) successfully made loans in Maryland through State or federal
8 lending programs designed to assist small and minority-owned businesses;

9 (2) had an active outreach program to assist small and
10 minority-owned businesses through which the financial institution has made efforts
11 in Maryland; and

12 (3) established strategic partnerships in Maryland with entities whose
13 mission is to provide technical assistance to small and minority-owned businesses.

14 **(E) THE TREASURER SHALL CONSIDER WHETHER THE FINANCIAL**
15 **INSTITUTION:**

16 **(1) IS OPERATING IN THE STATE WITH TOTAL ASSETS OF LESS**
17 **THAN \$5,000,000,000; AND**

18 **(2) COMMITS TO MAKE LOANS TO SMALL BUSINESSES IN THE**
19 **STATE IN AN AGGREGATE AMOUNT OF AT LEAST 200% OF THE INCREMENTAL**
20 **FUNDS THAT ARE DEPOSITED BY THE TREASURER.**

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 July 1, 2012.