

1 H.542
2 Introduced by Representatives Wizowaty of Burlington, Ancel of Calais,
3 Aswad of Burlington, Bartholomew of Hartland, Bissonnette of
4 Winooski, Bohi of Hartford, Burke of Brattleboro, Buxton of
5 Tunbridge, Campion of Bennington, Christie of Hartford,
6 Clarkson of Woodstock, Conquest of Newbury, Consejo of
7 Sheldon, Copeland-Hanzas of Bradford, Courcelle of Rutland
8 City, Dakin of Chester, Davis of Washington, Deen of
9 Westminster, Donovan of Burlington, Edwards of Brattleboro,
10 Ellis of Waterbury, Evans of Essex, Fisher of Lincoln, French
11 of Shrewsbury, French of Randolph, Grad of Moretown, Haas
12 of Rochester, Head of South Burlington, Johnson of South
13 Hero, Keenan of St. Albans City, Kitzmiller of Montpelier,
14 Krebs of South Hero, Lanpher of Vergennes, Lippert of
15 Hinesburg, Macaig of Williston, Malcolm of Pawlet,
16 Manwaring of Wilmington, Martin of Springfield, Masland of
17 Thetford, McCullough of Williston, Miller of Shaftsbury, Mook
18 of Bennington, Moran of Wardsboro, Mrowicki of Putney,
19 Munger of South Burlington, Nuovo of Middlebury, O'Brien of
20 Richmond, O'Sullivan of Burlington, Pearson of Burlington,
21 Peltz of Woodbury, Poirier of Barre City, Potter of Clarendon,

1 Spengler of Colchester, Stevens of Waterbury, Stevens of
2 Shoreham, Sweaney of Windsor, Taylor of Barre City, Till of
3 Jericho, Townsend of Randolph, Trieber of Rockingham,
4 Waite-Simpson of Essex, Webb of Shelburne, Wilson of
5 Manchester, Woodward of Johnson, Yantachka of Charlotte,
6 Young of Glover and Zagar of Barnard

7 Referred to Committee on

8 Date:

9 Subject: Commerce and trade; banking; state bank

10 Statement of purpose: This bill proposes to create an expert panel on banking
11 to recommend one or more proposals for the creation of a state bank.

12 An act relating to creating an expert panel on the creation of a state bank

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. VERMONT STATE BANK STUDY PANEL

15 (a) Creation of panel. There is created a Vermont state bank study panel
16 for the purpose of researching, evaluating, and proposing one or more potential
17 models for the creation of a Vermont state bank.

18 (b) Membership. The panel shall be composed of five members as follows:

19 (1) the deputy commissioner of banking within the department of
20 banking, insurance, securities, and health care administration;

1 (2) the state treasurer;

2 (3) a former president or vice president of a Vermont bank or credit

3 union, who shall be appointed by the governor;

4 (4) a current or former mayor, treasurer, or executive administrator of a

5 Vermont municipality, who shall be appointed by the president pro tempore of

6 the senate; and

7 (5) a former executive director of a Vermont nonprofit organization

8 which, as part of its mission, directly lends or services loans or other similar

9 obligations, who shall be appointed by the speaker of the house of

10 representatives.

11 (c) Powers and duties.

12 (1) The panel shall research and evaluate:

13 (A) the current banking system, the operations, and the procedures

14 that the state, municipalities, and other state instrumentalities use for their own

15 internal banking and related human resource and operational requirements and

16 the administrative and opportunity costs thereof;

17 (B) the number, nature, and scope of lending, loan servicing, and

18 related operations performed by the state, its instrumentalities, and

19 state-funded public and private organizations and the administrative and

20 opportunity costs thereof;

1 (C) the organization, operation, and effectiveness of current and
2 historical models of state banks;

3 (D) the potential costs and benefits of adopting a Vermont state bank
4 that consolidates the banking operations and needs of the state, of its
5 instrumentalities, and of municipalities or of any combination of these;

6 (E) the potential costs and benefits of adopting a Vermont state bank
7 that consolidates the lending, loan servicing, and related operations of the state,
8 its instrumentalities, and state-funded public and private organizations;

9 (F) the potential costs and benefits of converting the Vermont
10 economic development authority into a Vermont economic development
11 bank; and

12 (G) any other issues as the panel determines is necessary and
13 appropriate in the scope of its work.

14 (2) For purposes of its study of these issues, the panel shall have the
15 legal, financial, administrative, and technical support of the department of
16 banking, insurance, securities, and health care administration.

17 (d) Report. On or before November 15, 2012, the panel shall submit a
18 report of its findings and recommendations to the general assembly and to the
19 governor. The report shall include a discussion of one or more options for the
20 creation and operation of a state bank as follows:

1 (1) a state bank that serves only the internal banking and related human
2 resource and operational needs of the state, its instrumentalities, and
3 municipalities or any combination of these;

4 (2) a state bank that consolidates only the lending, loan servicing, and
5 related operations of the state, its instrumentalities, and state-funded public and
6 private organizations or any combination of these;

7 (3) a state bank that performs a combination of any or all of the services
8 and functions contemplated in subdivisions (1) and (2) of this subsection; and

9 (4) the preservation or reconfiguration of current banking, lending,
10 servicing, and related operations without the creation of a state bank.

11 (e) Reimbursement.

12 (1) Members of the panel who are not employees of the state of
13 Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010, and
14 all members shall receive mileage reimbursement for actual travel to attend
15 meetings of the panel.

16 (2) The department of banking, insurance, securities, and health care
17 administration shall be reimbursed for administrative costs incurred in
18 supporting the panel. This shall not include the costs of any salaries or benefits
19 of its regular full- or part-time employees, but may include costs incurred to
20 hire such consultants or advisors as the panel shall determine is necessary to
21 complete its work.

1 Sec. 2. APPROPRIATION

2 There is appropriated from the general fund to the department of banking,
3 insurance, securities, and health care administration the amount of \$25,000.00
4 for the purpose of funding reimbursements and costs of the Vermont state bank
5 study panel pursuant to Sec. 1 of this act.

6 Sec. 3. EFFECTIVE DATE

7 This act shall take effect on passage.