

REFERENCE TITLE: state-owned bank task force; appropriation

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

SB 1245

Introduced by

Senator Dalessandro; Representative Gabaldón; Senators Ableser, Bradley,
Hobbs, Tovar; Representatives Campbell, Gonzales, Miranda, Saldate, Steele

AN ACT

ESTABLISHING A STATE-OWNED BANK TASK FORCE; MAKING AN APPROPRIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. State-owned bank task force: members: duties:
3 delayed repeal

4 A. A state-owned bank task force is established within the Arizona
5 commerce authority, consisting of the following members who are appointed by
6 the chief executive officer of the Arizona commerce authority:

7 1. The superintendent of financial institutions or the
8 superintendent's designee.

9 2. A representative from the Arizona commerce authority.

10 3. A representative from the department of administration.

11 4. A representative from the Arizona corporation commission.

12 5. A representative from the department of economic security.

13 6. A representative from the treasurer's office.

14 7. A representative from the department of revenue.

15 8. A representative from the office of tourism.

16 9. A representative from the department of agriculture.

17 10. A representative from the economic research department of each
18 university under the jurisdiction of the Arizona board of regents.

19 B. The superintendent of financial institutions or the
20 superintendent's designee shall serve as the chairperson of the task force.

21 C. Task force members serve without compensation but are eligible for
22 reimbursement of expenses pursuant to title 38, chapter 4, article 2, Arizona
23 Revised Statutes.

24 D. The task force shall explore and evaluate the feasibility of
25 establishing a state-owned bank. The task force shall review and evaluate
26 the following:

27 1. The bank of North Dakota, including its enabling statutes,
28 governing structure and programs.

29 2. The findings from studies conducted by the state of Massachusetts
30 relating to establishing a state-owned bank, including the Report of the
31 Commission to Study the Feasibility of Establishing a Bank Owned by the
32 Commonwealth.

33 3. Models used in other states and by financial institutions.

34 4. The effectiveness and usefulness of an existing state-owned bank,
35 specifically the economic impact of having a state-owned bank.

36 5. Any effects a state-owned bank will have on existing banks and
37 financial institutions in this state.

38 6. The long-term broad economic impact and long-term job creation and
39 state revenue effects of having a state-owned bank.

40 7. The capital requirements of a state-owned bank.

41 8. Initial capitalization options for a state-owned bank.

42 9. The cash management and banking needs of this state.

43 10. An estimate of the short-term operating costs and projected
44 revenues of a state-owned bank.

45 11. The laws, statutes and rules applicable to establishing a
46 state-owned bank, including the possibility of amending the Constitution of
47 Arizona to make a state-owned bank in this state viable.

1 E. The task force shall also consider other programs or options that
2 could serve the same purposes or achieve the same goals as a state-owned
3 bank, including:

4 1. Boston Community Capital's SUN (Stabilizing Urban Neighborhoods)
5 initiative or other similar community development financial institutions if
6 the task force reviews Boston Community Capital as a model of a nonprofit
7 community development financial institution that both:

8 (a) Buys distressed mortgage loans of owner-occupied residential
9 property.

10 (b) Provides new mortgages to the homeowners.

11 2. Loans and financial assistance offered by the United States small
12 business administration if the task force considers whether any barriers or
13 restrictions exist for small businesses in Arizona seeking financial
14 assistance.

15 3. Any agricultural loan programs or loan guaranty programs at the
16 federal and state levels if the task force considers whether any barriers or
17 restrictions exist for small businesses in Arizona seeking loans for
18 agricultural businesses.

19 4. Any investment authority that uses existing staff from several
20 state agencies to promote, develop and invest in clean energy and energy
21 efficiency projects if the task force both:

22 (a) Reviews whether an investment fund can leverage its capital to
23 provide low-cost financing to clean energy and energy efficiency projects in
24 which a commercial bank would be less likely to invest.

25 (b) Investigates how such an investment authority would be funded.

26 F. For the purposes of subsection E of this section, the task force
27 may:

28 1. Establish investigative subgroups.

29 2. Invite experts in relevant fields, including banking, finance,
30 economics and community development, to provide information and assistance to
31 the task force.

32 G. The task force shall submit a report of its findings and
33 recommendations to the governor, the president of the senate and the speaker
34 of the house of representatives on or before December 1, 2014 and shall
35 provide a copy of this report to the secretary of state.

36 H. This section is repealed from and after September 30, 2015.

37 Sec. 2. Appropriation; Arizona commerce authority; state-owned
38 bank task force

39 The sum of \$_____ is appropriated from the state general fund
40 in fiscal year 2014-2015 to the Arizona commerce authority to support the
41 work of the state-owned bank task force, including necessary travel expenses
42 of members of the state-owned bank task force and expenses incurred in
43 consulting with persons knowledgeable in issues relevant to the state-owned
44 bank task force's work.