

REFERENCE TITLE: state-owned bank task force

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

HB 2532

Introduced by
Representatives Powers Hannley: Blanc, Clark, Espinoza, Fernandez,
Friese, Gabaldón, Gonzales, Hernandez, Navarrete, Salman

AN ACT

ESTABLISHING A STATE-OWNED BANK TASK FORCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. State bank panel; nonpartisan state-owned bank
3 task force; members; duties; delayed repeal

4 A. A state bank panel is established. The panel consists of the
5 following members:

6 1. The governor or the governor's designee.

7 2. One member of the senate who is appointed by the president of
8 the senate and who is not of the same political party as the member
9 appointed pursuant to paragraph 3 of this subsection.

10 3. One member of the house of representatives who is appointed by
11 the speaker of the house of representatives and who is not of the same
12 political party as the member appointed pursuant to paragraph 2 of this
13 subsection.

14 4. The state treasurer or the state treasurer's designee.

15 5. The chief executive officer of the Arizona commerce authority or
16 the chief executive officer's designee.

17 B. The state bank panel shall appoint all members of the
18 nonpartisan state-owned bank task force that is established by subsection
19 C of this section.

20 C. A nonpartisan state-owned bank task force is established,
21 consisting of members who represent the state government and key
22 stakeholder groups or individuals who are involved in or interested in
23 sustainable or economic development through public banking. The task
24 force consists of the following members who are appointed by the state
25 bank panel established by subsection A of this section:

26 1. One member of the senate and one member of the house of
27 representatives who are not members of the same political party.

28 2. The superintendent of financial institutions or the
29 superintendent's designee.

30 3. A representative from the Arizona commerce authority.

31 4. A representative from the department of administration.

32 5. The state treasurer or the state treasurer's designee.

33 6. A representative from the department of revenue.

34 7. A representative from a bank that has a permit that is issued
35 pursuant to title 6, chapter 2, Arizona Revised Statutes.

36 8. A representative from a public bank advocacy organization.

37 9. A representative from an economic research department of a
38 university under the jurisdiction of the Arizona board of regents.

39 10. A person who owns a business with fewer than two hundred
40 employees that is located in a rural area in this state.

41 11. A person who owns a business with fewer than two hundred
42 employees that is located in an urban area of this state.

43 12. A person who is a mayor of a town that is located in a rural
44 area of this state.

- 1 13. A person who is a mayor of a city or town that has a population
2 of more than two hundred fifty thousand persons.
- 3 D. The state treasurer or the state treasurer's designee shall
4 serve as the chairperson of the task force.
- 5 E. Task force members serve without compensation but are eligible
6 for reimbursement of expenses pursuant to title 38, chapter 4, article 2,
7 Arizona Revised Statutes.
- 8 F. The task force shall explore and evaluate the feasibility of
9 establishing a state-owned bank. The task force shall review and evaluate
10 the following:
- 11 1. The Bank of North Dakota, including its enabling statutes,
12 governing structure, financial performance and programs.
- 13 2. The findings from studies or pilot projects conducted by other
14 states and cities including those conducted by Massachusetts, New Jersey,
15 Santa Fe and Philadelphia and Tucson's community banking project.
- 16 3. White papers and reports produced by independent research
17 groups.
- 18 4. The effectiveness of this state's current economic development
19 strategies based on tax abatement and other incentives.
- 20 5. The long-term broad economic impact that having a state-owned
21 bank could have on education, innovation, small business development,
22 student loan affordability, economic diversification, state revenue, job
23 creation, the health of community banks, the availability of affordable
24 credit and the overall financial health and stability of our state.
- 25 6. Any effects a state-owned bank will have on existing banks and
26 financial institutions in this state.
- 27 7. Reciprocal relationships that the public bank will have with
28 community banks and other financial institutions.
- 29 8. Steps required in establishing a public bank.
- 30 9. The capital requirements of a state-owned bank.
- 31 10. Initial capitalization options for a state-owned bank.
- 32 11. The cash management and banking needs of this state.
- 33 12. An estimate of the short-term operating costs and projected
34 revenues of a state-owned bank.
- 35 13. The structure of the bank and its board.
- 36 14. Potential revenue-generating loan programs such as small
37 business loans and student loans.
- 38 15. Potential uses for revenue generated by the public bank's
39 low-interest loan program, such as public education,
40 transportation-related infrastructure and stabilization of pension monies.
- 41 16. The laws, statutes and rules applicable to establishing a
42 state-owned bank, including the possibility of amending the Constitution
43 of Arizona to make a state-owned bank in this state viable.
- 44 G. The task force may:
- 45 1. Establish investigative subgroups.

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

4 H. The task force shall submit a report of its findings and
5 recommendations to the governor, the president of the senate and the
6 speaker of the house of representatives on or before December 1, 2017 and
7 shall provide a copy of this report to the secretary of state.

8 I. This section is repealed from and after September 30, 2018.