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## **House Bill 1403 – Financial Institutions – State Banks – Investing in For-Profit Correctional Facilities - Prohibited**

**March 6, 2020 – House Economic Matters Committee**

### ***Oppose***

The Maryland Bankers Association (MBA) opposes HB 1403 – Financial Institutions – State Banks – Investing in For-Profit Correctional Facilities - Prohibited. MBA's members are comprised of community banks and savings and loans, regional banks and large banking companies with a national presence. The 87 banks operating in Maryland employ 26,000 men and women. Maryland's banks serve communities, consumers and businesses across the State through nearly 1,420 branches.

HB 1403 prohibits State banks and credit unions from providing financing for or investing in securities of an institution, a company, or a subsidiary that owns a private correctional facility or contracts as a private contract or vendor for the ownership, operation, or management of a State correctional facility, local correctional facility, or county detention center.

While MBA does not believe any for-profit correctional facilities currently exist in Maryland, this prohibition would be the first of its kind in the State and would set a dangerous precedence for limiting the types of lending banks can do. Further, this bill will create an unlevel playing field for Maryland's local banks as it does not apply to national or federally-chartered institutions.

For these reasons, MBA respectfully requests an unfavorable Committee report.