

**Department of Legislative Services**  
Maryland General Assembly  
2004 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 415  
Appropriations

(Delegate Vaughn, *et al.*)

Budget and Taxation

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**Task Force on Lending Equity within Financial Institutions Providing State  
Depository Services**

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This bill establishes a Task Force on Lending Equity within Financial Institutions Providing State Depository Services, staffed by the Department of Legislative Services (DLS) and the Treasurer's Office. The bill requires the task force to: (1) identify data to demonstrate whether financial institutions provide adequate access to credit and capital for minority business enterprises; (2) advise the Treasurer in developing additional criteria for selecting of financial institutions as depositories; and (3) develop a strategy to implement a lending equity policy. The bill requires the task force to submit an interim report by December 1, 2004 and a final report by September 1, 2005.

The bill takes effect July 1, 2004 and terminates September 30, 2005.

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**Fiscal Summary**

**State Effect:** None. Any expense reimbursements for the task force members and staffing costs for the Treasurer and DLS are assumed to be minimal and absorbable within existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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## Analysis

**Current Law:** Before using a financial institution as a depository, the State Treasurer is required to consider the extent to which the financial institution makes higher education loans. The Treasurer may not designate a financial institution or foreign institution as a depository unless the Governor approves the designation.

Within 30 days after receipt, a national banking association, a banking institution, or other state bank that maintains a branch in the State must submit to the commissioner a copy of the public portion of its most recent Community Reinvestment Act performance evaluation along with a copy of any written response to the evaluation. Upon request, the commissioner must make a copy of the documents available to the public. The commissioner may charge a fee to help defray copying costs.

**State Fiscal Effect:** DLS advises that it will likely be able to handle staffing duties with existing resources, depending upon the number of other task forces or commissions that are established during the 2004 legislative session. The bill's December 1 interim report deadline could divert staff resources from other responsibilities.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 324 (Senator Jones, *et al.*) – Budget and Taxation.

**Information Source(s):** State Treasurer's Office; Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 10, 2004  
mll/mdr Revised - House Third Reader - April 5, 2004  
Revised - Enrolled Bill - May 4, 2004

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