

SENATE BILL 533

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CF 8lr2477

By: **Senators Muse, Frosh, Garagiola, Jones, McFadden, Peters, Pugh, and Raskin**

Introduced and read first time: February 1, 2008

Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Task Force to Study How to Improve Financial Literacy in the State**

3 FOR the purpose of creating a Task Force to Study How to Improve Financial Literacy
4 in the State; providing for the composition, co-chairs, and staffing of the Task
5 Force; providing that a member of the Task Force may not receive compensation
6 but may be reimbursed for certain expenses; requiring the Task Force to study
7 the ability of certain consumers to understand certain financial concepts and
8 the problems created for certain consumers by a lack of financial literacy or
9 knowledge; requiring the Task Force to make certain recommendations;
10 requiring the Task Force to report certain findings and recommendations to the
11 Governor and to the General Assembly; providing for the termination of this
12 Act; and generally relating to the Task Force to Study How to Improve
13 Financial Literacy in the State.

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That:

16 (a) There is a Task Force to Study How to Improve Financial Literacy in the
17 State.

18 (b) The Task Force consists of the following members:

19 (1) three members of the Senate of Maryland, appointed by the
20 President of the Senate;

21 (2) three members of the House of Delegates, appointed by the
22 Speaker of the House;

23 (3) the State Superintendent of Schools, or the Superintendent's
24 designee;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) the following members, appointed jointly by the President of the
2 Senate and the Speaker of the House:

3 (i) one representative of the Maryland State Teachers
4 Association;

5 (ii) one representative from the consumer credit counseling
6 industry; and

7 (iii) two representatives from a community development
8 corporation or a community-focused nonprofit organization; and

9 (5) the following members, appointed by the Governor:

10 (i) one representative of the Maryland State Board of
11 Education;

12 (ii) one representative of the Maryland Council on Economic
13 Education;

14 (iii) one representative of a State-chartered community bank;

15 (iv) one representative of a State-chartered credit union;

16 (v) one representative of a federal-chartered bank or savings
17 bank that has a branch in Maryland;

18 (vi) one representative of a federal-chartered credit union
19 headquartered in Maryland; and

20 (vii) one licensed mortgage broker holding the Maryland
21 Association of Mortgage Brokers' "Lending Seal of Integrity".

22 (c) (1) The President of the Senate shall designate one of the members
23 appointed from the Senate as co-chair of the Task Force.

24 (2) The Speaker of the House shall designate one of the members
25 appointed from the House as co-chair of the Task Force.

26 (d) The Department of Legislative Services shall provide staff for the Task
27 Force.

28 (e) A member of the Task Force:

29 (1) may not receive compensation as a member of the Task Force; but

1 (2) is entitled to reimbursement for expenses under the Standard
2 State Travel Regulations, as provided in the State budget.

3 (f) The Task Force shall:

4 (1) study the current ability of consumers over the age of 21 who have
5 achieved a high school diploma to understand basic financial concepts;

6 (2) study the problems created for the average consumer by a lack of
7 financial literacy or knowledge, including an inability to:

8 (i) determine how to set financial goals;

9 (ii) establish basic household budgets;

10 (iii) locate the best-priced financial services products relative to
11 current economic situations;

12 (iv) understand how credit can improve or impede progress
13 toward financial goals; and

14 (v) evaluate offers for products; and

15 (3) make recommendations regarding:

16 (i) how to address the problems identified under paragraph (2);
17 and

18 (ii) the utility of requiring financial literacy education as part of
19 primary and secondary education.

20 (g) On or before December 1, 2008, the Task Force shall report to the
21 Governor and, in accordance with § 2-1246 of the State Government Article, the
22 General Assembly regarding its findings and recommendations.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2008. It shall remain effective for a period of 1 year and, at the end of June 30,
25 2009, with no further action required by the General Assembly, this Act shall be
26 abrogated and of no further force and effect.