

# HOUSE BILL 1340

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HB 591/17 – ECM

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By: **Delegate Conaway**

Introduced and read first time: February 18, 2019

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Task Force to Study the Local Economic Impact of Bank Deserts in Maryland**

3 FOR the purpose of establishing the Task Force to Study the Local Economic Impact of  
4 Bank Deserts in Maryland; providing for the composition, chair, and staffing of the  
5 Task Force; prohibiting a member of the Task Force from receiving certain  
6 compensation, but authorizing the reimbursement of certain expenses; requiring the  
7 Task Force to study and make recommendations regarding certain matters relating  
8 to the local economic impact of opening new credit unions or banks in bank deserts  
9 in the State; requiring the Task Force to report its findings and recommendations to  
10 the General Assembly on or before a certain date; providing for the termination of  
11 this Act; and generally relating to the Task Force to Study the Local Economic  
12 Impact of Bank Deserts in Maryland.

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

15 (a) There is a Task Force to Study the Local Economic Impact of Bank Deserts in  
16 Maryland.

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

18 (1) two members of the Senate of Maryland, appointed by the President of  
19 the Senate;

20 (2) two members of the House of Delegates, appointed by the Speaker of  
21 the House;

22 (3) the Commissioner of Financial Regulation, or the Commissioner's  
23 designee;

24 (4) the Secretary of Commerce, or the Secretary's designee;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (5) one representative of the Maryland Bankers Association;

2 (6) two professors who are knowledgeable about economics and the impact  
3 of financial institutions on communities;

4 (7) one representative of a financial services institution, appointed by the  
5 Commissioner of Financial Regulation; and

6 (8) two members of the public who live within a 1-mile radius of a bank  
7 desert in the State, appointed by the Commissioner of Financial Regulation.

8 (c) The Commissioner of Financial Regulation shall designate the chair of the  
9 Task Force.

10 (d) The Department of Labor, Licensing, and Regulation shall provide staff for  
11 the Task Force.

12 (e) A member of the Task Force:

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

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

16 (f) The Task Force shall:

17 (1) identify bank deserts in the State where citizens have limited access to  
18 financial services or are living in areas without a credit union or bank branch;

19 (2) study the economic effect that a new credit union or bank branch would  
20 have on the area within a 1-mile radius of a bank desert identified by the Task Force,  
21 including:

22 (i) whether the presence of a credit union or bank would reduce  
23 citizen reliance on check cashing institutions and services and, if so, the extent to which  
24 citizen reliance on check cashing institutions and services would be reduced; and

25 (ii) the effect that a credit union or bank's presence, if any, would  
26 have on area employment; and

27 (3) make recommendations regarding:

28 (i) the economic impact of opening a credit union or bank branch in  
29 a bank desert; and

30 (ii) ways to incentivize and attract financial institutions to locate

1 and open a credit union or bank branch in a bank desert in the State.

2 (g) On or before January 1, 2020, the Task Force shall report its findings and  
3 recommendations, in accordance with § 2-1246 of the State Government Article, to the  
4 General Assembly.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
6 1, 2019. It shall remain effective for a period of 2 years and, at the end of June 30, 2021,  
7 this Act, with no further action required by the General Assembly, shall be abrogated and  
8 of no further force and effect.