

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 984
Economic Matters

Maryland State Bank Task Force - Establishment

This bill establishes the Maryland State Bank Task Force to review and evaluate the creation of a Maryland State Bank. The Office of the Commissioner of Financial Regulation (OCFR) must staff the task force. A member of the task force may not receive compensation; however, the member is entitled to reimbursement for expenses as provided in the State budget. The task force must report its findings and recommendations to the Governor and specified committees of the General Assembly by December 1, 2022. **The bill takes effect June 1, 2022, and terminates June 30, 2023.**

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for OCFR are assumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force must undertake a review and evaluation of a State bank that would:

- support the economic development of the State by increasing access to capital for businesses and farms within the State in partnership with local financial institutions;

- provide stability to the local financial sector without entering into competition with community banks, credit unions, or other financial institutions;
- reduce the costs paid by the State for basic banking services; and
- return profits, beyond those necessary to accomplish the mission and sound operations of the bank, to the general fund of the State.

The task force must also (1) perform a general assessment of the State's current network of public and private financial resources in order to identify potential areas of State bank focus; (2) examine how a State bank may support a strong private-sector financial community that would provide capital for businesses in Maryland; (3) examine various administrative and operational structures for the bank; (4) consider options for integrating a State bank model into the existing State financial services network; and (5) examine the bank's long-term impact on economic growth, job creation, and State revenues.

Current Law: There is no State-owned bank in Maryland.

Additional Information

Prior Introductions: HB 41 of 2021, as amended, passed the House and received a hearing in the Senate Finance Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): Department of Commerce; Comptroller's Office; Maryland State Treasurer's Office; Maryland Department of Labor; Department of Legislative Services

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