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Resolve, To Establish the Task Force on the Creation of a State of Maine Partnership Bank

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the banking landscape in the State is heavily consolidated with the majority of bank deposits controlled by out-of-state banks and multinational banks that do minimal lending to small businesses and family farms in the State; and

Whereas, because of the national and international financial systems, many loans and the interest paid on those loans migrate out of state; and

Whereas, local borrowing from, moving debt to and obtaining new credit from local financial institutions will be beneficial for the state economy; and

Whereas, it is necessary to counter the migration of loans and profits out of the State's communities, and to provide a strong and resilient local financial sector and, consistent access to credit for small businesses, family farmers and Maine communities; and

Whereas, this legislation creates a task force to design the State of Maine Partnership Bank to partner with and strengthen the financial institutions that are headquartered in the State or are locally owned, or both, recognizing that a strong and resilient local financial system will facilitate these institutions' ability to expand and better meet the needs of individuals, businesses, churches, nonprofits, unions, organizations, cities, counties and the State, facilitating a greater amount of their money to return home to the State; and

Whereas, the task force must be appointed and begin its work before the 90-day period expires in order that its work may be completed and a report submitted to the next legislative session; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1 Task force established. Resolved: That the Task Force on the Creation of a State of Maine Partnership Bank, referred to in this resolve as "the task force," is established; and be it further

Sec. 2 Task force membership. Resolved: That, notwithstanding Joint Rule 353, the task force consists of 21 members appointed as follows:

1. One member of the House of Representatives, appointed by the Speaker of the House;
2. One member of the Senate, appointed by the President of the Senate;
3. The Chief Executive Officer of the Finance Authority of Maine, or a designee;
4. The Treasurer of State, or a designee;

5. The Superintendent of Insurance, or a designee;

6. A representative of a Maine-based community bank with \$1 billion or more in assets that is recognized for its significant support of Maine businesses and service to its community, appointed by the President of the Senate;

7. Two representatives of Maine-based community banks with assets ranging from \$500 million to \$1 billion that are recognized for their significant support of Maine businesses and services to their communities, appointed by the President of the Senate;

8. Three representatives of Maine-based community banks with assets up to \$500 million that are recognized for their significant support of Maine businesses and services to their communities, appointed by the President of the Senate;

9. Three representatives of Maine-based credit unions that are recognized for their significant support of Maine businesses and services to their communities, appointed by the Speaker of the House;

10. A representative of a community development financial institution, appointed by the Speaker of the House;

11. A representative of a municipality with significant experience in municipal bond borrowing, appointed by the Speaker of the House;

12. Two farmers with recent loan application experience pertaining to agriculture, appointed by the Speaker of the House;

13. An owner of a local independent manufacturing business with fewer than 25 employees with recent loan application experience, appointed by the Speaker of the House;

14. An owner of a local independent retail or service-oriented business with fewer than 25 employees with recent loan application experience, appointed by the Speaker of the House; and

15. An economist with expertise in the state economy, appointed by the President of the Senate; and be it further

Sec. 3 Compensation. Resolved: That, notwithstanding Joint Rule 353, public members of the task force are not entitled to reimbursement for their expenses; and be it further

Sec. 4 Chairs. Resolved: That the first-named Senate member is the Senate chair and the first-named House of Representatives member is the House chair of the task force; and be it further

Sec. 5 Appointments; convening of task force. Resolved: That all appointments must be made no later than 30 days following the effective date of this resolve. The appointing authorities shall notify the Executive Director of the Legislative Council once all appointments have been completed. After appointment of all members, the chairs shall call and convene the first meeting of the task force. If 30 days or more after the effective date of this resolve a majority of but not all appointments have been made, the chairs may request authority and the Legislative Council may grant authority for the task force to meet and conduct its business; and be it further

Sec. 6 Duties. Resolved: That the task force shall develop a proposal for the establishment and operation of the State of Maine Partnership Bank, which must be specifically designed to:

1. Support and partner with financial institutions that are headquartered in the State or are locally owned, or both, in order to provide access to capital for Maine small businesses and family farmers;
2. Enable state public funds to be retained within the State;
3. Facilitate the investment of increased state resources in high-quality, in-state investments, such as loans to local businesses, family farmers and homeowners; and
4. Enable the State to leverage short-term deposits to facilitate more loans flowing through locally owned financial institutions while retaining within the State the interest payments paid by residents, business owners and farmers; and be it further

Sec. 7 Development of proposal. Resolved: That, in developing its proposal pursuant to section 6, the task force shall specifically consider and address:

1. The method of appointing and employing a president and staff of the State of Maine Partnership Bank and defining duties, designating titles and determining appropriate compensation;
2. The scope of powers to be held by the State of Maine Partnership Bank with respect to the acceptance of deposits, the purchase, holding and sale of loans, and what restrictions on the origination of loans are considered beneficial to partner with locally owned financial institutions;
3. The initial capitalization of the State of Maine Partnership Bank;
4. The ways profits from the State of Maine Partnership Bank could be used to fund the expansion of economic development tools administered by the Finance Authority of Maine to further improve the economy of the State; and
5. The establishment of oversight measures that ensure transparency and accountability; and be it further

Sec. 8 Staff assistance. Resolved: That the Legislative Council shall provide necessary staffing services to the task force; and be it further

Sec. 9 Report. Resolved: That, notwithstanding Joint Rule 353, no later than December 15, 2013, the task force shall submit a report that includes its findings and recommendations with any necessary implementing legislation to both the Joint Standing Committee on Labor, Commerce, Research and Economic Development and the Joint Standing Committee on Insurance and Financial Institutions. After receipt and review of the report the Joint Standing Committee on Labor, Commerce, Research and Economic Development or the Joint Standing Committee on Insurance and Financial Institutions may submit a bill to the Second Regular Session of the 126th Legislature.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This resolve establishes the Task Force on the Creation of a State of Maine Partnership Bank to develop a proposal to establish the State of Maine Partnership Bank, which must be specifically designed to partner with financial institutions that are headquartered in Maine or are Maine-owned, or both, in

order to provide access to capital for local small businesses and family farmers, to enable state public funds to be retained within the State and to facilitate the investment of increased state resources in high-quality, in-state investments, such as loans to local businesses, family farmers and homeowners. The task force is directed to submit a report that includes its findings and recommendations with any necessary implementing legislation to the Joint Standing Committee on Labor, Commerce, Research and Economic Development and to the Joint Standing Committee on Insurance and Financial Institutions.