

1 S.204

2 Introduced by Senators Pollina and Lyons

3 Referred to Committee on

4 Date:

5 Subject: Banking; government; state bank

6 Statement of purpose: This bill proposes to create an expert panel on banking

7 to recommend one or more proposals for the creation of a state bank.

8 An act relating to creating an expert panel on the creation of a state bank

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. VERMONT STATE BANK STUDY PANEL

11 (a) Creation of panel. There is created a Vermont state bank study panel
12 for the purpose of researching, evaluating, and proposing one or more potential
13 models for the creation of a Vermont state bank.

14 (b) Membership. The panel shall be composed of five members as follows:

15 (1) the deputy commissioner of banking within the department of
16 banking, insurance, securities, and health care administration;

17 (2) the state treasurer;

18 (3) a former president or vice president of a Vermont bank or credit

19 union, who shall be appointed by the governor;

1 (4) a current or former mayor, treasurer, or executive administrator of a
2 Vermont municipality, who shall be appointed by the president pro tempore of
3 the senate; and

4 (5) a former executive director of a Vermont nonprofit organization
5 which, as part of its mission, directly lends or services loans or other similar
6 obligations, who shall be appointed by the speaker of the house of
7 representatives.

8 (c) Powers and duties.

9 (1) The panel shall research and evaluate:

10 (A) the current banking system, the operations, and the procedures
11 that the state, municipalities, and other state instrumentalities use for their own
12 internal banking and related human resource and operational requirements and
13 the administrative and opportunity costs thereof;

14 (B) the number, nature, and scope of lending, loan servicing, and
15 related operations performed by the state, its instrumentalities, and
16 state-funded public and private organizations and the administrative and
17 opportunity costs thereof;

18 (C) the organization, operation, and effectiveness of current and
19 historical models of state banks;

1 (D) the potential costs and benefits of adopting a Vermont state bank
2 that consolidates the banking operations and needs of the state, of its
3 instrumentalities, and of municipalities or of any combination of these;

4 (E) the potential costs and benefits of adopting a Vermont state bank
5 that consolidates the lending, loan servicing, and related operations of the state,
6 its instrumentalities, and state-funded public and private organizations; and

7 (F) any other issues as the panel determines is necessary and
8 appropriate in the scope of its work.

9 (2) For purposes of its study of these issues, the panel shall have the
10 legal, financial, administrative, and technical support of the department of
11 banking, insurance, securities, and health care administration.

12 (d) Report. On or before November 15, 2012, the panel shall submit a
13 report of its findings and recommendations to the general assembly and to the
14 governor. The report shall include a discussion of one or more options for the
15 creation and operation of a state bank as follows:

16 (1) a state bank that serves only the internal banking and related human
17 resource and operational needs of the state, its instrumentalities, and
18 municipalities or any combination of these;

19 (2) a state bank that consolidates only the lending, loan servicing, and
20 related operations of the state, its instrumentalities, and state-funded public and
21 private organizations or any combination of these;

1 (3) a state bank that performs a combination of any or all of the services
2 and functions contemplated in subdivisions (1) and (2) of this subsection; and

3 (4) the preservation or reconfiguration of current banking, lending,
4 servicing, and related operations without the creation of a state bank.

5 (e) Reimbursement.

6 (1) Members of the panel who are not employees of the state of
7 Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010, and
8 all members shall receive mileage reimbursement for actual travel to attend
9 meetings of the panel.

10 (2) The department of banking, insurance, securities, and health care
11 administration shall be reimbursed for administrative costs incurred in
12 supporting the panel. This shall not include the costs of any salaries or benefits
13 of its regular full- or part-time employees, but may include costs incurred to
14 hire such consultants or advisors as the panel shall determine is necessary to
15 complete its work.

16 Sec. 2. APPROPRIATION

17 There is appropriated from the general fund to the department of banking,
18 insurance, securities, and health care administration the amount of \$25,000.00
19 for the purpose of funding reimbursements and costs of the Vermont state bank
20 study panel pursuant to Sec. 1 of this act.

- 1 Sec. 3. EFFECTIVE DATE
- 2 This act shall take effect on passage.