

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1078

S.P. 360

In Senate, March 19, 2013

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

(EMERGENCY)

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator JOHNSON of Lincoln.
Cosponsored by Representative BEAVERS of South Berwick and
Senators: HILL of York, LACHOWICZ of Kennebec, WOODBURY of Cumberland,
Representatives: DEVIN of Newcastle, EVANGELOS of Friendship, KUSIAK of Fairfield,
MacDONALD of Boothbay, MASTRACCIO of Sanford, MOONEN of Portland, RYKERSON
of Kittery, SHAW of Standish.

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

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

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

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

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

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

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

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

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

31 **Sec. 2. Task force membership. Resolved:** That, notwithstanding Joint Rule
32 353, the task force consists of 21 members appointed as follows:

- 33 1. One member of the House of Representatives, appointed by the Speaker of the
34 House;
- 35 2. One member of the Senate, appointed by the President of the Senate;
- 36 3. The Chief Executive Officer of the Finance Authority of Maine, or a designee;

- 1 4. The Treasurer of State, or a designee;
- 2 5. The Superintendent of Insurance, or a designee;
- 3 6. A representative of a Maine-based community bank with \$1 billion or more in
4 assets that is recognized for its significant support of Maine businesses and service to its
5 community, appointed by the President of the Senate;
- 6 7. Two representatives of Maine-based community banks with assets ranging from
7 \$500 million to \$1 billion that are recognized for their significant support of Maine
8 businesses and services to their communities, appointed by the President of the Senate;
- 9 8. Three representatives of Maine-based community banks with assets up to \$500
10 million that are recognized for their significant support of Maine businesses and services
11 to their communities, appointed by the President of the Senate;
- 12 9. Three representatives of Maine-based credit unions that are recognized for their
13 significant support of Maine businesses and services to their communities, appointed by
14 the Speaker of the House;
- 15 10. A representative of a community development financial institution, appointed by
16 the Speaker of the House;
- 17 11. A representative of a municipality with significant experience in municipal bond
18 borrowing, appointed by the Speaker of the House;
- 19 12. Two farmers with recent loan application experience pertaining to agriculture,
20 appointed by the Speaker of the House;
- 21 13. An owner of a local independent manufacturing business with fewer than 25
22 employees with recent loan application experience, appointed by the Speaker of the
23 House;
- 24 14. An owner of a local independent retail or service-oriented business with fewer
25 than 25 employees with recent loan application experience, appointed by the Speaker of
26 the House; and
- 27 15. An economist with expertise in the state economy, appointed by the President of
28 the Senate; and be it further

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

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

35 **Sec. 5. Appointments; convening of task force. Resolved:** That all
36 appointments must be made no later than 30 days following the effective date of this

1 resolve. The appointing authorities shall notify the Executive Director of the Legislative
2 Council once all appointments have been completed. After appointment of all members,
3 the chairs shall call and convene the first meeting of the task force. If 30 days or more
4 after the effective date of this resolve a majority of but not all appointments have been
5 made, the chairs may request authority and the Legislative Council may grant authority
6 for the task force to meet and conduct its business; and be it further

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

10 1. Support and partner with financial institutions that are headquartered in the State
11 or are locally owned, or both, in order to provide access to capital for Maine small
12 businesses and family farmers;

13 2. Enable state public funds to be retained within the State;

14 3. Facilitate the investment of increased state resources in high-quality, in-state
15 investments, such as loans to local businesses, family farmers and homeowners; and

16 4. Enable the State to leverage short-term deposits to facilitate more loans flowing
17 through locally owned financial institutions while retaining within the State the interest
18 payments paid by residents, business owners and farmers; and be it further

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

21 1. The method of appointing and employing a president and staff of the State of
22 Maine Partnership Bank and defining duties, designating titles and determining
23 appropriate compensation;

24 2. The scope of powers to be held by the State of Maine Partnership Bank with
25 respect to the acceptance of deposits, the purchase, holding and sale of loans, and what
26 restrictions on the origination of loans are considered beneficial to partner with locally
27 owned financial institutions;

28 3. The initial capitalization of the State of Maine Partnership Bank;

29 4. The ways profits from the State of Maine Partnership Bank could be used to fund
30 the expansion of economic development tools administered by the Finance Authority of
31 Maine to further improve the economy of the State; and

32 5. The establishment of oversight measures that ensure transparency and
33 accountability; and be it further

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

36 **Sec. 9. Report. Resolved:** That, notwithstanding Joint Rule 353, no later than
37 December 15, 2013, the task force shall submit a report that includes its findings and

1 recommendations with any necessary implementing legislation to both the Joint Standing
2 Committee on Labor, Commerce, Research and Economic Development and the Joint
3 Standing Committee on Insurance and Financial Institutions. After receipt and review of
4 the report the Joint Standing Committee on Labor, Commerce, Research and Economic
5 Development or the Joint Standing Committee on Insurance and Financial Institutions
6 may submit a bill to the Second Regular Session of the 126th Legislature.

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

9 **SUMMARY**

10 This resolve establishes the Task Force on the Creation of a State of Maine
11 Partnership Bank to develop a proposal to establish the State of Maine Partnership Bank,
12 which must be specifically designed to partner with financial institutions that are
13 headquartered in Maine or are Maine-owned, or both, in order to provide access to capital
14 for local small businesses and family farmers, to enable state public funds to be retained
15 within the State and to facilitate the investment of increased state resources in
16 high-quality, in-state investments, such as loans to local businesses, family farmers and
17 homeowners. The task force is directed to submit a report that includes its findings and
18 recommendations with any necessary implementing legislation to the Joint Standing
19 Committee on Labor, Commerce, Research and Economic Development and to the Joint
20 Standing Committee on Insurance and Financial Institutions.