

MAINE STATE LEGISLATURE

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131st MAINE LEGISLATURE

FIRST SPECIAL SESSION-2023

Legislative Document

No. 1635

S.P. 652

In Senate, April 12, 2023

**An Act to Charter a Maine State Bank That Accepts Deposits and
Issues Gold Currency Celebrating Maine's Heritage**

Reference to the Committee on Health Coverage, 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 BRAKEY of Androscoggin.
Cosponsored by Senator: LIBBY of Cumberland, Representatives: BOYER of Poland,
FREDERICKS of Sanford, MORRIS of Turner, SAMPSON of Alfred.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §12004-F, sub-§19** is enacted to read:

3 **19.**

4 Maine State Bank, Board of Directors Expenses Only 9-B MRSA §1253

5 **Sec. 2. 9-B MRSA c. 125** is enacted to read:

6 **CHAPTER 125**

7 **MAINE STATE BANK**

8 **§1251. Definitions**

9 As used in this chapter, unless the context otherwise indicates, the following terms
10 have the following meanings.

11 **1. Bank.** "Bank" means the Maine State Bank established in section 1252.

12 **2. Blockchain-based cryptocurrency.** "Blockchain-based cryptocurrency" means an
13 encrypted data string that denotes a unit of currency and is monitored by a secure and
14 decentralized database that records transactions.

15 **3. Board.** "Board" means the Board of Directors of the Maine State Bank under section
16 1253.

17 **§1252. Bank established**

18 The Maine State Bank is established and is a public body corporate and politic and an
19 instrumentality of the State.

20 **§1253. Board; duties and powers**

21 **1. Members.** The Board of Directors of the Maine State Bank, as established in Title
22 5, section 12004-F, subsection 19, consists of 5 voting members appointed by the Governor
23 and subject to approval by the joint standing committee of the Legislature having
24 jurisdiction over appropriations and financial affairs and confirmation by the Senate. The
25 Treasurer of State and the Commissioner of Administrative and Financial Services serve
26 as ex officio nonvoting members of the board. The board shall oversee the operation,
27 management and control of the bank in accordance with this chapter. The board shall
28 designate one of its members as chair and shall determine the location of the bank's main
29 office and maintain places of business of the bank.

30 **2. Meetings; quorum.** The board shall establish the frequency of regular board
31 meetings in bylaws and public notice requirements for meetings through rulemaking under
32 subsection 5. A special meeting may be called at any time upon notice by the Governor or
33 by 3 members of the board. Three voting members constitute a quorum and may transact
34 business and exercise all rights, duties and powers of the board.

35 **3. Appointment of president; employment of officers and agents.** The board shall
36 appoint a person with extensive experience in banking as the president of the bank. The
37 board may appoint and employ any subordinate officers, employees and agents that the

1 board considers necessary and shall define the duties, designate the titles and fix the
2 compensation of all those positions.

3 The board may designate the president or another officer or employee as its agent with
4 respect to the functions of the bank, subject to the supervision, limitation and control of the
5 board. The board may discharge any person appointed and employed under this subsection.

6 **4. Compensation.** Board members serve without compensation except that members
7 may be reimbursed for travel expenses associated with their duties under this chapter.

8 **5. Rulemaking.** The board, through rulemaking, shall adopt bylaws and operating
9 policies and shall enforce orders necessary to fulfill its functions under this section. Rules
10 adopted under this subsection are routine technical rules as defined in Title 5, chapter 375,
11 subchapter 2-A.

12 **§1254. Deposit of funds**

13 The bank may accept deposits of private funds in all lawful forms of currency,
14 including but not limited to United States dollars, internationally recognized money issued
15 by foreign governments, gold and silver bullion issued by recognized mints and
16 blockchain-based cryptocurrency.

17 **§1255. Powers of the bank**

18 The bank shall:

19 **1. Currency exchange.** Process exchanges between all currencies accepted for deposit
20 in accordance with section 1254;

21 **2. Gold coinage and bullion.** Issue gold coinage and bullion minted by the State
22 celebrating the State's heritage in various denominations by weight;

23 **3. Cryptocurrency.** Issue blockchain-based cryptocurrency tokens, redeemable from
24 the bank in fixed amounts of physical gold, as long as the bank holds 100% reserves in the
25 form of gold coinage and bullion minted by the State;

26 **4. Deposits.** Accept deposits in accordance with section 1254 from and transact
27 business with any person legally authorized under the laws of the State to conduct business
28 in the State, including but not limited to cannabis businesses;

29 **5. Fees.** Assess fees on transactions and storage to cover the costs of operation;

30 **6. Reserves.** Hold at least 100% reserves for all forms of fiat currency, precious metals
31 and blockchain-based cryptocurrency authorized for deposit under section 1254; and

32 **7. Other powers.** Perform all acts and do all things necessary and proper to carry out
33 the powers expressly granted in this chapter through or by means of its president, officers,
34 agents or employees or by contracts with any person, firm or corporation.

35 **§1256. Rulemaking; audit**

36 **1. Rule-making authority.** The bank shall adopt rules to:

37 A. Ensure the safety and soundness of the bank that, to the extent possible, reflect
38 applicable standards for safety and soundness set forth in 12 Code of Federal
39 Regulations, Part 364 (2016);

1 B. Specify the bank's powers and permissible investments and activities consistent with
2 section 1255;

3 C. Specify services that the bank may provide; and

4 D. Set requirements that the board considers necessary to administer the bank under
5 this chapter.

6 Rules adopted under this subsection are major substantive rules as defined in Title 5,
7 chapter 375, subchapter 2-A.

8 2. Audit. An independent auditor shall audit the accounts and financial affairs of the
9 bank quarterly and confirm maintenance of 100% minimum reserve requirements.

10 **§1257. Use of name; execution of instruments**

11 All business of the bank must be conducted under the name of the Maine State Bank.
12 Title to property pertaining to the operation of the bank must be obtained and conveyed in
13 the name of the Maine State Bank.

14 Officers, employees or agents of and legal counsel to the bank may execute instruments
15 on behalf of the bank when authorized by the board.

16 **SUMMARY**

17 This bill establishes the Maine State Bank and authorizes the bank to:

18 1. Accept deposits of funds in all lawful forms of currency, including but not limited
19 to United States dollars, internationally recognized money issued by foreign governments,
20 gold and silver bullion issued by recognized mints and blockchain-based cryptocurrency;

21 2. Process exchanges between all currencies accepted for deposit;

22 3. Issue gold coinage and bullion minted by the State celebrating the State's heritage in
23 various denominations by weight;

24 4. Issue blockchain-based cryptocurrency in tokens as long as the bank holds 100%
25 reserves in the form of gold coinage and bullion minted by the State;

26 5. Accept deposits from and transact business with any person legally authorized under
27 the laws of the State to conduct business in the State, including but not limited to cannabis
28 businesses; and

29 6. Assess fees on transactions and storage to cover the costs of operation.