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HOUSE JOINT RESOLUTION NO. 62

Offered January 13, 2010

Prefiled January 11, 2010

Establishing a joint subcommittee to study whether to establish a bank operated by the Commonwealth. Report.

Patron—Marshall, R.G.

Referred to Committee on Rules

WHEREAS, the Commonwealth does not currently engage in the business of banking or own, control, or operate a bank; and

WHEREAS, the state of North Dakota currently engages in the business of banking, owns, controls, and operates a bank known as the Bank of North Dakota; and

WHEREAS, the Bank of North Dakota was established pursuant to North Dakota Century Code 6-09-01 for the purpose of encouraging and promoting agriculture, commerce, and industry; and

WHEREAS, the Bank of North Dakota is not a member of the Federal Deposit Insurance Corporation but pursuant to North Dakota Century Code 6-09-10, all deposits in the Bank of North Dakota are guaranteed by the state; and

WHEREAS, the deposit base of the Bank of North Dakota is unique in that its primary deposit base is the State of North Dakota and all state funds and funds of state institutions are deposited with the Bank of North Dakota, as required by law; and

WHEREAS, the Bank of North Dakota accepts other deposits from any source, including private citizens, businesses, and the U.S. government; and

WHEREAS, the Bank of North Dakota is overseen by the North Dakota Industrial Commission and advised by a seven-member Advisory Board appointed by the Governor that reviews the bank's operations and makes recommendations to the Industrial Commission relating to the bank's management, services, policies and procedures; and WHEREAS, the Bank of North Dakota administers several lending programs that promote agriculture, commerce, and industry as well as providing government guaranteed loans for lenders and providing community, rural, and regional development loan funds; and WHEREAS, the Commonwealth is expected to have a budget shortfall of between \$ 1.8 billion and \$ 3.6 billion in 2010 and North Dakota is expected to have an \$ 800 million budget surplus by the end of 2010; and WHEREAS, the Commonwealth would benefit from loaning funds to develop agriculture, commerce and industry in lieu of granting tax revenues to newly established businesses; and WHEREAS, by opening accounts in a bank owned, controlled, and operated by the Commonwealth, Virginians would be able to invest in the growth of agriculture, commerce and industry in the Commonwealth; and WHEREAS, Virginians with accounts in a bank owned, controlled, and operated by the Commonwealth would benefit from a return on their investment in the form of loan interest and other revenues earned by the bank's investments in agriculture, commerce and industry in the Commonwealth; and WHEREAS, the purpose of a bank owned, controlled, and operated by the Commonwealth would be to invest in agriculture, commerce, and industry within the Commonwealth; and WHEREAS, a need exists to determine if the Commonwealth would benefit from the creation and operation of a similar financial institution; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study whether to establish a bank operated by the Commonwealth. In conducting its study, the joint subcommittee shall consider recommendations for legislation to establish a state owned, controlled, and operated bank.

The joint subcommittee shall consist of eight legislative members. Members shall be appointed as follows: five members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates and three members of the Senate to be appointed by the Senate Committee on Rules. The joint subcommittee shall elect a chairman and vice-chairman from among its membership.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Bureau of Financial Institutions of the State Corporation Commission. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2010 interim, and the direct costs of this study shall not exceed \$8,000 without approval as set out in this resolution. Approval for

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59 unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the
60 joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is
61 agreed to, written authorization of both Clerks shall be required.

62 No recommendation of the joint subcommittee shall be adopted if a majority of the House members
63 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the
64 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the
65 joint subcommittee.

66 The joint subcommittee shall complete its meetings by November 30, 2010, and the chairman shall
67 submit to the Division of Legislative Automated Systems an executive summary of its findings and
68 recommendations no later than the first day of the 2011 Regular Session of the General Assembly. The
69 executive summary shall state whether the joint subcommittee intends to submit to the General
70 Assembly and the Governor a report of its findings and recommendations for publication as a House or
71 Senate document. The executive summary and the report shall be submitted as provided in the
72 procedures of the Division of Legislative Automated Systems for the processing of legislative documents
73 and reports and shall be posted on the General Assembly's website.

74 Implementation of this resolution is subject to subsequent approval and certification by the Joint
75 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
76 delay the period for the conduct of the study, or authorize additional meetings during the 2010 interim.