AN ACT

Establishing the Commonwealth Bank of Pennsylvania Study Commission to review and evaluate the establishment of a Commonwealth Bank of Pennsylvania; and providing for the powers and duties of the commission.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:


(a) Establishment.--The Commonwealth Bank of Pennsylvania Study Commission is established.

(b) Membership.--The commission shall consist of the following members:

(1) A chair, appointed by the Governor.

(2) One member of the Judiciary Committee of the Senate, appointed by the President of the Senate.

(3) One member of the Finance Committee of the House of Representatives, appointed by the Speaker of the House of Representatives.

(4) The State Treasurer or the State Treasurer's designee.
(5) The Secretary of Community and Economic Development or the secretary's designee.
(6) The Secretary of the Budget or the secretary's designee.
(7) The Secretary of Revenue or the secretary's designee.
(8) A representative of the County Commissioners Association of Pennsylvania.
(9) A representative of the Pennsylvania League of Cities and Municipalities.
(10) A representative of the Pennsylvania Chamber of Business and Industry.
(11) A representative of the labor community.
(12) Three members of the public, knowledgeable about the Commonwealth's banking sector and economy, appointed by the Governor, of which at least one is a member of the banking community and one is a member of the consumer advocacy community.

(c) Staffing.--The Department of Labor and Industry shall provide staff support to the commission.

(d) Compensation prohibited.--A member of the commission:
(1) May not receive compensation as a member of the commission.
(2) Shall be reimbursed for expenses under the same provisions applicable to employees under the jurisdiction of the Executive Board.

(e) Powers and duties.--
(1) The commission shall review and evaluate the establishment of a Commonwealth Bank of Pennsylvania.
(2) The commission shall, at a minimum, undertake a
review and evaluation of a Commonwealth Bank of Pennsylvania that would:

(i) Purchase, guarantee or hold loans made by private banks, credit unions or other financial institutions doing business in this Commonwealth.

(ii) Make loans in the form of participation loans with community banks in this Commonwealth to qualified individuals and businesses residing or doing business in this Commonwealth when the originator of the loan is a private bank, credit union or other financial institution.

(iii) Serve as a banker's bank for chartered banks in this Commonwealth by providing correspondent banking services and other related services in keeping with its mission.

(iv) Accept deposits related to such transactions from banks and other financial institutions.

(v) Be authorized to issue bank stock loans to State-chartered banks.

(3) The commission shall review and evaluate the establishment of a Commonwealth Bank of Pennsylvania, the mission of which would be:

(i) To support the economic development of this Commonwealth by increasing access to capital for businesses and farms within this Commonwealth in partnership with local financial institutions.

(ii) To provide stability to the local financial sector without entering into competition with community banks, credit unions or other financial institutions.

(iii) To reduce the costs paid by the Commonwealth
for basic banking services.

(iv) To return profits, beyond those necessary to accomplish the mission and sound operations of the bank, to the General Fund.

(4) In undertaking the duties imposed by subsection (e), the commission shall:

(i) Study the Bank of North Dakota.

(ii) Determine whether other states have state banks or are currently considering the establishment of a state bank.

(iii) Evaluate the effectiveness and usefulness of existing state banks, specifically examining the economic impact of having a state bank.

(iv) Determine the costs and revenues associated with the Bank of North Dakota and any other existing state banks.

(v) Estimate the short-term operating costs and projected revenues of a Commonwealth Bank of Pennsylvania.

(vi) Examine the long-term broad economic impact and long-term job creation and State revenue impacts of a Commonwealth Bank of Pennsylvania.

(5) On or before October 1, 2015, the commission shall report its findings and recommendations to the Governor and to the General Assembly.

Section 2. Effective date.

This act shall take effect immediately.