
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2440 Session of
2014

INTRODUCED BY HANNA, AUGUST 25, 2014

REFERRED TO COMMITTEE ON COMMERCE, AUGUST 25, 2014

AN ACT

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

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

7 Section 1. Commonwealth Bank of Pennsylvania Study Commission.

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

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

12 (1) A chair, appointed by the Governor.

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

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

18 (4) The State Treasurer or the State Treasurer's
19 designee.

1 (5) The Secretary of Community and Economic Development
2 or the secretary's designee.

3 (6) The Secretary of the Budget or the secretary's
4 designee.

5 (7) The Secretary of Revenue or the secretary's
6 designee.

7 (8) A representative of the County Commissioners
8 Association of Pennsylvania.

9 (9) A representative of the Pennsylvania League of
10 Cities and Municipalities.

11 (10) A representative of the Pennsylvania Chamber of
12 Business and Industry.

13 (11) A representative of the labor community.

14 (12) Three members of the public, knowledgeable about
15 the Commonwealth's banking sector and economy, appointed by
16 the Governor, of which at least one is a member of the
17 banking community and one is a member of the consumer
18 advocacy community.

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

21 (d) Compensation prohibited.--A member of the commission:

22 (1) May not receive compensation as a member of the
23 commission.

24 (2) Shall be reimbursed for expenses under the same
25 provisions applicable to employees under the jurisdiction of
26 the Executive Board.

27 (e) Powers and duties.--

28 (1) The commission shall review and evaluate the
29 establishment of a Commonwealth Bank of Pennsylvania.

30 (2) The commission shall, at a minimum, undertake a

1 review and evaluation of a Commonwealth Bank of Pennsylvania
2 that would:

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

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

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

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

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

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

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

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

30 (iii) To reduce the costs paid by the Commonwealth

1 for basic banking services.

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

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

7 (i) Study the Bank of North Dakota.

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

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

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

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

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

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

26 Section 2. Effective date.

27 This act shall take effect immediately.