WHEREAS, as the State faces economic challenges, it is necessary to consider alternatives to the existing structure of financial institutions in Hawaii; and

WHEREAS, the creation of a state-owned bank in Hawaiʻi is one alternative that merits study; and

WHEREAS, other states have established state-owned banks in the past; and

WHEREAS, for example, the Bank of North Dakota, owned by the State of North Dakota, helped that state withstand the Great Recession; and

WHEREAS, the Bank of North Dakota also served as a key partner in securing Paycheck Protection Program loans for North Dakotan businesses during the coronavirus disease 2019 pandemic; and

WHEREAS, the profits of the Bank of North Dakota are returned to the State of North Dakota, with a portion used to fund the state's general fund; and

WHEREAS, the establishment of a state-owned bank could have a number of potential benefits; and

WHEREAS, a state-owned bank in Hawaii could allow the State to manage its own debts, reducing Hawaii's reliance on an expensive and inefficient bond market and allowing state projects to be funded at lower interest rates; and

WHEREAS, a state bank could also be an effective tool to support the State's economy, especially in economic sectors that
currently do not have viable local banking options, such as the medical cannabis industry; and

WHEREAS, the creation of a working group to conduct a comprehensive review of the State's laws would be the first step in determining whether the Legislature should establish a state-owned bank; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, that the Department of Commerce and Consumer Affairs is requested to convene a Bank of the State of Hawaii Working Group; and

BE IT FURTHER RESOLVED that the Bank of the State of Hawaii Working Group is requested to conduct a comprehensive review of the State's laws relating to financial institutions, mortgage lending, housing development, agricultural development, and land use for the purpose of developing proposed legislation to establish a state-operated bank of the State of Hawaii; and

BE IT FURTHER RESOLVED that the Bank of the State of Hawaii Working Group is requested to include the following members:

(1) The Director of Commerce and Consumer Affairs or the Director's designee;

(2) The Attorney General or the Attorney General's designee;

(3) The Comptroller or the Comptroller's designee;

(4) The Director of Finance or the Director's designee;

(5) One member of the House of Representatives to be appointed by the Speaker of the House of Representatives; and

(6) One member of the Senate appointed by the President of the Senate; and

BE IT FURTHER RESOLVED that the working group is requested to select a chairperson from among its members; and
BE IT FURTHER RESOLVED that the working group is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and

BE IT FURTHER RESOLVED that the report include a graduated schedule of state funds to be transferred to the Bank of the State of Hawaii from financial institutions that are serving as depositories for the State; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Commerce and Consumer Affairs, Attorney General, Comptroller, Director of Finance, Speaker of the House of Representatives, and President of the Senate.

OFFERED BY: ____________________________

MAR 12 2021