

1 A JOINT RESOLUTION directing the establishment of the Public Bank Task
2 Force.

3 WHEREAS, public banks are banks that are owned, controlled, and principally
4 funded by a state, local government, or other government entity rather than by private
5 investors; and

6 WHEREAS, a public bank has been successfully operated in North Dakota since
7 1919; and

8 WHEREAS, the Bank of North Dakota serves as the depository for all state funds,
9 uses its deposit base and capital to make loans in accordance with the state's public policy
10 directives, and returns the profits it generates to the state; and

11 WHEREAS, the Bank of North Dakota works to support, rather than compete with,
12 privately owned state-chartered financial institutions by partnering with those institutions
13 to provide financing to stimulate economic development in the state; and

14 WHEREAS, several states, including Kentucky, chartered and operated public or
15 semi-public banks during the 19th century; and

16 WHEREAS, within the past five years, legislation has been filed in several states
17 and in the United States Congress, and enacted in at least one state, to establish or study
18 the establishment of public banks; and

19 WHEREAS, public banks may be used to generate revenue, strengthen the
20 economy, support economic development, and streamline existing infrastructure and
21 credit programs in Kentucky; and

22 WHEREAS, public banks may also be used to improve the operation of public
23 investments and assets, including retirement, pension, and other public benefit accounts;
24 and

25 WHEREAS, numerous public agencies in Kentucky are currently engaged in
26 lending activities and use revenue generated from agency activities to fund their
27 operations;

1 NOW, THEREFORE,

2 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. The Legislative Research Commission shall establish the Public
4 Bank Task Force to study the establishment of one or more public banks in Kentucky.

5 ➔Section 2. The duties of the task force shall include but are not limited to:

6 (1) Assessing public banking models, including the Bank of North Dakota;

7 (2) Examining existing state-supported infrastructure and credit programs, as well
8 as the operation of public investments and assets, in Kentucky;

9 (3) Evaluating the potential cost savings, revenue, operational efficiencies, and
10 economic development that may be generated by one or more public banks;

11 (4) Identifying legal, policy, and organizational components of a viable public
12 bank in Kentucky, including but not limited to:

13 (a) The bank's purposes, structure, capital requirements, safety and soundness
14 protocols, and powers; and

15 (b) Legislation that would be necessary to establish one or more public banks;

16 (5) Assessing the economic feasibility and start-up costs associated with a viable
17 public bank in Kentucky;

18 (6) Evaluating potential funding sources for establishing a public bank in
19 Kentucky;

20 (7) Evaluating the number and location of viable public banks initiatives in
21 Kentucky; and

22 (8) Evaluating the impact of one or more public banks to existing banks and
23 financial institutions in Kentucky.

24 ➔Section 3. The Public Bank Task Force shall be composed of the following
25 members, with final membership of the task force being subject to the consideration and
26 approval of the Legislative Research Commission:

27 (1) Two members of the House of Representatives appointed by the Speaker of

1 the House of Representatives, one of whom shall be designated by the Speaker of the
2 House of Representatives as the co-chair of the task force;

3 (2) One member of the House of Representatives appointed by the Minority Floor
4 Leader of the House of Representatives;

5 (3) Two members of the Senate appointed by the President of the Senate, one of
6 whom shall be designated by the President of the Senate as a co-chair of the task force;

7 (4) One member of the Senate appointed by the Minority Floor Leader of the
8 Senate;

9 (5) The Kentucky State Treasurer or designee;

10 (6) The secretary of the Kentucky Finance and Administration Cabinet or
11 designee;

12 (7) The secretary of the Kentucky Cabinet for Economic Development or
13 designee;

14 (8) The commissioner of the Department of Financial Institutions or designee;

15 (9) The commissioner of the Department for Local Government or designee;

16 (10) The director of the Office of State Budget Director or designee; and

17 (11) The president and chief executive officer of the Kentucky Bankers
18 Association or designee.

19 ➔Section 4. During its first or any subsequent meeting, the task force may
20 consider and submit a list of names to the Legislative Research Commission for the
21 appointment and confirmation of the following additional task force members:

22 (1) One representative of a public pension fund in Kentucky;

23 (2) One representative of a public agency in Kentucky that engages in lending
24 activities; and

25 (3) Two university professors or other experts, with expertise in the field of
26 public banking, banking, or public finance.

27 ➔Section 5. The task force shall meet monthly during the 2024 Interim of the

1 General Assembly. The task force shall submit findings and recommendations to the
2 Legislative Research Commission for referral to the appropriate committee or committees
3 by December 1, 2024.

4 →Section 6. The executive branch of government shall promptly provide
5 necessary staff, data, research, information, and other requested support to assist the task
6 force in the performance of its duties. Any person designated to serve as an executive
7 branch task force member shall possess experience and expertise in the designated
8 agency's operations and subject matter that is relevant to the duties of the task force.

9 →Section 7. Provisions of this Resolution to the contrary notwithstanding, the
10 Legislative Research Commission shall have the authority to alternatively assign the
11 issues identified herein to an interim joint committee or subcommittee thereof and to
12 designate a study completion date.