
SENATE BILL NO. 341—SENATORS PARKS, COPENING, SCHNEIDER,
WIENER; BREEDEN, LESLIE AND MANENDO

MARCH 21, 2011

JOINT SPONSORS: ASSEMBLYMEN OHRENSCHALL AND PIERCE

Referred to Committee on Legislative Operations and Elections

SUMMARY—Directs the Legislative Commission to appoint a subcommittee to conduct an interim study concerning the establishment of a bank that is owned, controlled and operated by this State. (BDR S-870)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to state financial administration; directing the Legislative Commission to appoint a subcommittee to conduct an interim study concerning the establishment of a bank that is owned, controlled and operated by this State; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 This bill directs the Legislative Commission to appoint a subcommittee,
2 consisting of three members of the Senate and three members of the Assembly, to
3 conduct a study concerning the establishment of a bank that is owned, controlled
4 and operated by this State. This bill requires the subcommittee to perform various
5 tasks to determine whether a bank that is owned, controlled and operated by this
6 State would be beneficial to this State, including an examination of the legal,
7 technical and financial feasibility of establishing such a bank and an evaluation of
8 the experiences of other states that have state-owned banks. This bill also requires
9 the subcommittee to submit a copy of its final written report to the Director of the
10 Legislative Counsel Bureau for transmittal to the 77th Session of the Nevada
11 Legislature.



* S B 3 4 1 *

1 WHEREAS, This State does not currently engage in the business
2 of banking and does not own, control or operate a bank; and

3 WHEREAS, The State of North Dakota currently engages in the
4 business of banking and owns, controls and operates a bank known
5 as the Bank of North Dakota; and

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

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

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

17 WHEREAS, The Bank of North Dakota accepts other deposits
18 from any source, including private citizens, businesses and the
19 Government of the United States; and

20 WHEREAS, The Bank of North Dakota is overseen by the State
21 Industrial Commission and advised by a seven-member Advisory
22 Board appointed by the Governor that reviews the Bank's operations
23 and makes recommendations to the Industrial Commission relating
24 to the Bank's management, services, policies and procedures; and

25 WHEREAS, The Bank of North Dakota administers several
26 lending programs that promote agriculture, commerce and industry,
27 provide government-guaranteed loans for lenders and provide
28 community, rural and regional development loan funds; and

29 WHEREAS, The Bank of North Dakota has created partnerships
30 with more than 100 other North Dakota financial institutions to
31 assist such institutions in meeting the needs of the residents of North
32 Dakota; and

33 WHEREAS, This State would benefit from loaning money to
34 develop agriculture, commerce and industry in lieu of granting tax
35 revenues to newly established businesses; and

36 WHEREAS, By opening accounts in a bank owned, controlled
37 and operated by this State, Nevadans would be able to invest in the
38 growth of agriculture, commerce and industry in this State; and

39 WHEREAS, Nevadans with accounts in a bank owned,
40 controlled and operated by this State would benefit from a return on
41 their investments in the form of loan interest and other revenues
42 earned by the bank's investments in agriculture, commerce and
43 industry in this State; and



1 WHEREAS, The purpose of a bank owned, controlled and
2 operated by this State would be to invest in agriculture, commerce
3 and industry within this State; and

4 WHEREAS, A need exists to determine if this State would benefit
5 from the creation and operation of a financial institution that is
6 similar to the Bank of North Dakota; now, therefore,

7
8 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
9 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

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11 **Section 1.** 1. The Legislative Commission shall appoint a
12 subcommittee, consisting of three members of the Senate and three
13 members of the Assembly, to conduct a study during the 2011-2013
14 interim concerning the establishment of a bank that is owned,
15 controlled and operated by this State.

16 2. The subcommittee appointed pursuant to subsection 1 shall,
17 without limitation:

18 (a) Review the applicable constitutional provisions, laws,
19 regulations and policies of this State relating to establishing a bank
20 that is owned, controlled and operated by this State;

21 (b) Examine the technical and financial feasibility of
22 establishing a bank that is owned, controlled and operated by this
23 State;

24 (c) Evaluate the manner in which public money is invested or
25 deposited by this State and its political subdivisions;

26 (d) Examine the lending practices of existing public agencies in
27 this State that perform lending services;

28 (e) Review the existing information, policies or studies, or the
29 laws of other states or territories of the United States, which may
30 assist the subcommittee in determining whether the creation and
31 operation of a bank that is owned, controlled and operated by this
32 State would be beneficial to this State;

33 (f) Evaluate the experiences of other states that have state-
34 owned banks, including, without limitation, identifying the financial
35 performance of such banks and evaluating the lending practices of
36 state-owned banks to determine whether such banks are able to fill
37 the lending gaps not filled by the private sector; and

38 (g) Develop criteria to measure the performance or success of
39 any strategy developed by or any recommendation of the
40 subcommittee.

41 3. Any recommendations for legislation proposed by the
42 subcommittee must be approved by a majority of the members of
43 the Senate and a majority of the members of the Assembly
44 appointed to the subcommittee.



- 1 4. The Legislative Commission shall submit a copy of the final
- 2 written report of the study and any recommendations for legislation
- 3 to the Director of the Legislative Counsel Bureau for transmittal to
- 4 the 77th Session of the Nevada Legislature.

