
HOUSE CONCURRENT RESOLUTION

REQUESTING THE CONVENING OF A WORKING GROUP TO CONDUCT A
COMPREHENSIVE REVIEW OF THE STATE'S LAWS FOR THE PURPOSE OF
DEVELOPING LEGISLATION TO ESTABLISH A STATE-OPERATED BANK.

1 WHEREAS, as the State faces economic challenges, it is
2 necessary to consider alternatives to the existing structure of
3 financial institutions in Hawaii; and
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5 WHEREAS, the creation of a state-owned bank in Hawaii is
6 one alternative that merits study; and
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8 WHEREAS, other states have established state-owned banks in
9 the past; and
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11 WHEREAS, for example, the Bank of North Dakota, owned by
12 the State of North Dakota, helped that state withstand the Great
13 Recession; and
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15 WHEREAS, the Bank of North Dakota also served as a key
16 partner in securing Paycheck Protection Program loans for North
17 Dakotan businesses during the coronavirus disease 2019 pandemic;
18 and
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20 WHEREAS, the profits of the Bank of North Dakota are
21 returned to the State of North Dakota, with a portion used to
22 fund the state's general fund; and
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24 WHEREAS, the establishment of a state-owned bank could have
25 a number of potential benefits; and
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27 WHEREAS, a state-owned bank in Hawaii could allow the State
28 to manage its own debts, reducing Hawaii's reliance on an
29 expensive and inefficient bond market and allowing state
30 projects to be funded at lower interest rates; and



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

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

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

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

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

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27 (1) The Director of Commerce and Consumer Affairs or the
28 Director's designee;
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30 (2) The Attorney General or the Attorney General's
31 designee;
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33 (3) The Comptroller or the Comptroller's designee;
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35 (4) The Director of Finance or the Director's designee;
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37 (5) One member of the House of Representatives to be
38 appointed by the Speaker of the House of
39 Representatives; and
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41 (6) One member of the Senate appointed by the President of
42 the Senate; and



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1 BE IT FURTHER RESOLVED that the working group is requested
2 to select a chairperson from among its members; and

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4 BE IT FURTHER RESOLVED that the working group is requested
5 to submit a report of its findings and recommendations,
6 including any proposed legislation, to the Legislature no later
7 than twenty days prior to the convening of the Regular Session
8 of 2022; and

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

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

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22 OFFERED BY:



MAR 12 2021

