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## HOUSE 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

31           WHEREAS, a state bank could also be an effective tool to  
32 support the State's economy, especially in economic sectors that



1 currently do not have viable local banking options, such as the  
2 medical cannabis industry; and

3  
4 WHEREAS, the creation of a working group to conduct a  
5 comprehensive review of the State's laws would be the first step  
6 in determining whether the Legislature should establish a state-  
7 owned bank; now, therefore,

8  
9 BE IT RESOLVED by the House of Representatives of the  
10 Thirty-first Legislature of the State of Hawaii, Regular Session  
11 of 2021, that the Department of Commerce and Consumer Affairs is  
12 requested to convene a Bank of the State of Hawaii Working  
13 Group; and

14  
15 BE IT FURTHER RESOLVED that the Bank of the State of Hawaii  
16 Working Group is requested to conduct a comprehensive review of  
17 the State's laws relating to financial institutions, mortgage  
18 lending, housing development, agricultural development, and land  
19 use for the purpose of developing proposed legislation to  
20 establish a state-operated bank of the State of Hawaii; and

21  
22 BE IT FURTHER RESOLVED that the Bank of the State of Hawaii  
23 Working Group is requested to include the following members:

- 24  
25 (1) The Director of Commerce and Consumer Affairs or the  
26 Director's designee;  
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28 (2) The Attorney General or the Attorney General's  
29 designee;  
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31 (3) The Comptroller or the Comptroller's designee;  
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33 (4) The Director of Finance or the Director's designee;  
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35 (5) One member of the House of Representatives to be  
36 appointed by the Speaker of the House of  
37 Representatives; and  
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39 (6) One member of the Senate appointed by the President of  
40 the Senate; and

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



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

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

11  
12 BE IT FURTHER RESOLVED that certified copies of this  
13 Resolution be transmitted to the Director of Commerce and  
14 Consumer Affairs, Attorney General, Comptroller, Director of  
15 Finance, Speaker of the House of Representatives, and President  
16 of the Senate.

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OFFERED BY: \_\_\_\_\_



MAR 12 2021

