

House File 526 - Introduced

HOUSE FILE 526

BY STAED

A BILL FOR

1 An Act requesting the establishment of a state investment trust
2 interim study committee.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. LEGISLATIVE INTERIM STUDY COMMITTEE —
2 ESTABLISHMENT OF STATE INVESTMENT TRUST.

3 1. The legislative council is requested to authorize
4 the establishment of an interim study committee to study the
5 feasibility of establishing a state investment trust, operating
6 as a state-owned bank receiving deposits of state funds.

7 2. The committee shall be comprised of the following
8 members:

9 a. Five members who are members of the senate, three of
10 whom shall be appointed by the majority leader of the senate
11 and two of whom shall be appointed by the minority leader of
12 the senate.

13 b. Five members who are members of the house of
14 representatives, three of whom shall be appointed by the
15 speaker of the house of representatives and two of whom
16 shall be appointed by the minority leader of the house of
17 representatives.

18 3. The committee, in consultation with the state
19 treasurer's office, the department of revenue, the department
20 of management, representatives of the banking industry,
21 representatives of consumer advocacy organizations, and other
22 stakeholders, shall consider the establishment of a state
23 investment trust for the purpose of achieving the following
24 goals, at a minimum:

25 a. Supporting economic and community development in Iowa.

26 b. Providing financial stability to businesses in Iowa.

27 c. Reducing costs paid by the state for financial services.

28 d. Generating revenues to supplement state finances.

29 e. Providing financing for housing development, public
30 works infrastructure, educational infrastructure, student
31 loans, and community projects.

32 f. Providing stability to the state's financial sectors.

33 g. Lending capital to financial institutions in Iowa.

34 h. Providing grants to low-income Iowans for higher
35 education.

1 i. Providing capital for expansion of the state's workforce
2 dependent on student loans.

3 4. The interim committee shall also conduct a general
4 assessment of the state's network of public and private
5 financial resources to identify potential services to be
6 provided by a state investment trust, examine administrative
7 and operational structures to ensure sound regulatory oversight
8 and fair competition with financial institutions operating
9 in the state, consider options for integrating a state trust
10 model into the state's existing financial resource network,
11 and identify necessary actions to establish a state investment
12 trust.

13 5. The interim committee shall meet during the 2019
14 legislative interim and shall submit a summary of its study,
15 including findings and recommendations, in a report to the
16 governor and the general assembly no later than December 21,
17 2019.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill requests the legislative council to establish
22 an interim study committee composed of members of the senate
23 and the house of representatives, as specified in the bill, to
24 study the feasibility of establishing a state investment trust,
25 operating as a state-owned bank receiving deposits of state
26 funds.

27 The bill provides that the committee shall consider the
28 establishment of a state investment trust to achieve certain
29 goals described in the bill, in consultation with the state
30 treasurer's office, the department of revenue, the department
31 of management, representatives of the banking industry,
32 representatives of consumer advocacy organizations, and other
33 stakeholders. The committee shall also conduct a general
34 assessment of the state's financial resources, examine
35 administrative and operational structures, consider options for

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1 integrating a state trust model into the existing financial
2 network, and identify necessary actions to establish a state
3 investment trust.

4 The bill provides that the committee shall meet during the
5 2019 legislative interim and shall submit a summary of its
6 findings and recommendations in a report to the governor and
7 the general assembly no later than December 21, 2019.