



128th MAINE LEGISLATURE

LD 237

LR 834(02)

An Act To Establish a State Bank

Fiscal Note for Bill as Amended by Committee Amendment " "

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium revenue decrease - All Funds

Fiscal Detail and Notes

This legislation establishes the Maine Green Bank and requires a number of instrumentalities of the State to deposit a minimum of 30% of their cash into the new entity. Requiring such deposits into the Maine Green Bank may, and in the opinion of some of these instrumentalities will, result in lower investment earnings on the deposits and a potential increase in borrowing costs to such institutions as the Office of Treasurer of State, the Finance Authority of Maine, the University of Maine, the Maine Community College System, the Maine Technology Institute, the Maine State Housing Authority and other instrumentalities of the State. At this time it cannot be determined what the rates of return and the costs of the new bank will likely be. The largest potential impact on the General Fund would be from the Office of Treasurer of State. In addition to lower earnings rates on investments, the Treasurer has indicated her additional concern of an increased risk of losing principal.

This bill projects to require an Other Special Revenue Funds allocation of \$108,019 in fiscal year 2019-20 and of \$110,465 in fiscal year 2020-21 to the Department of Professional and Financial Regulation to hire and outfit one additional Senior Bank Examiner to manage the increased workload.

Additional costs to the Departments of Labor, Education, Health and Human Services, the Office of the State Treasurer and the Department of Agriculture, Conservation and Forestry to serve as ex-officio members of the Maine Green Bank Board of Directors can be absorbed within each agency's existing budgeted resources.