

HB610 INTRODUCED



1 HB610
2 ARG5TQS-1
3 By Representatives Harrison, Butler, Mooney, Yarbrough
4 (Constitutional Amendment)
5 RFD: Financial Services
6 First Read: 24-Apr-25



SYNOPSIS:

This bill would propose an amendment to Section 247 of the Constitution of Alabama of 2022, to authorize the Legislature to establish a state public bank.

A BILL
TO BE ENTITLED
AN ACT

Proposing an amendment to Section 247 of the Constitution of Alabama of 2022, relating to the general power of the Legislature regarding banks and banking; to authorize the Legislature to establish a state public bank to serve as the depository for all state government funds; and to direct the Legislature to establish a commission as the primary governing authority of the bank or to designate an agency to oversee and operate the bank; and to delineate the manner in which the bank will collect and loan funds.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 2022, is proposed:

PROPOSED AMENDMENT



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"Section 247

(a) The Legislature shall not have the power to establish or incorporate any bank or banking company or ~~moneyed~~monied institution for the purpose of issuing bills of credit or bills payable to order or bearer, except under the conditions prescribed in this ~~Constitution~~constitution. ~~No bank shall be established otherwise than under a general banking law.~~

(b) (1) The Legislature, by general law, may provide for the establishment and incorporation of the Alabama State Public Bank to act as a financial conduit that shall receive deposits from state and local governmental entities, issue and make loans to those entities, and issue bonds.

(2) The state public bank shall have the full powers to borrow money and issue its bonds and notes to make capital funds available for borrowing by state and local governmental entities, and those powers shall enable the state public bank to operate in the best interest of its taxpayers and residents.

(3) The Legislature, by general law, shall create a state public bank commission or designate a state agency to act as the primary governing authority of the bank and oversee and operate the bank.

(4) The Legislature, by general law, shall provide further for the structure and operation requirements of the state public bank.

~~(b)~~ (c) There shall be no limit of time for the duration of a corporation organized as a bank or banking company, and



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it shall not be necessary to renew or extend the life or charter of any such corporation now existing. All extensions of the life or charter of any such corporations are ratified and confirmed.

~~(e)~~ (d) Neither the state, nor any political subdivision thereof, shall be a stockholder in any bank, nor shall the credit of the state or any political subdivision thereof be given or lent to any banking company, banking association, or banking corporation.

~~(d)~~ (e) The Legislature, by appropriate laws, shall provide for the examination, by some public officer, of all banks and banking institutions and trust companies engaged in banking business in this state; and each ~~of such banks~~ bank and banking ~~companies~~ company or ~~institutions~~ institution, through its president, or such other officer as the Legislature may designate, shall make a report under oath of its resources and liabilities at least twice a year."

Upon ratification of this constitutional amendment, the Code Commissioner shall number and place this amendment as appropriate in the constitution omitting this instructional paragraph and may make the following nonsubstantive revisions: change capitalization, hierarchy, spelling, and punctuation for purposes of style and uniformity; correct manifest grammatical, clerical, and typographical errors; revise internal or external citations and cross-references; harmonize language; and translate effective dates.

END OF PROPOSED AMENDMENT

Section 2. An election upon the proposed amendment



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85 shall be held in accordance with Sections 284 and 285 of the
86 Constitution of Alabama of 2022, and the election laws of this
87 state. The appropriate election official shall assign a ballot
88 number for the proposed constitutional amendment on the
89 election ballot and shall set forth the following description
90 of the substance or subject matter of the proposed
91 constitutional amendment:

92 "Proposing an amendment to the Constitution of Alabama
93 of 2022, to authorize the Legislature to establish a state
94 public bank to serve as the depository for all state
95 government funds; and to establish the bank's structure and
96 manner in which it will collect and disburse funds.

97 Proposed by Act ____."

98 This description shall be followed by the following
99 language:

100 "Yes() No()."

101 Section 3. The proposed amendment shall become valid as
102 a part of the Constitution of Alabama of 2022, when approved
103 by a majority of the qualified electors voting thereon.