

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 662

(SENATE AUTHORS: DRAHEIM, Dornink, López Franzen, Utke and Eichorn)		
DATE	D-PG	OFFICIAL STATUS
02/04/2021	251	Introduction and first reading Referred to Commerce and Consumer Protection Finance and Policy
03/04/2021	700	Author added Dornink
03/10/2021	811	Author added Franzen
03/17/2021	960	Author added Utke
02/14/2022	4998	Author added Eichorn

1.1

A bill for an act

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relating to financial institutions; creating a working group to examine the merger

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of financial institutions and tax status designations; requiring a report.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. MERGER OF FINANCIAL INSTITUTIONS AND TAX STATUS

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DESIGNATION WORKING GROUP.

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Subdivision 1. Establishment. A working group is established to review and provide

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recommendations regarding the merger of financial institutions and related tax status

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designations.

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Subd. 2. Definition. For the purposes of this section, "financial institution" means:

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(1) a national banking association, federal savings association, or federal credit union;

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(2) a bank, credit union, industrial loan and thrift company, or regulated lender under

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Minnesota Statutes, chapter 56, established and operating under the laws of Minnesota; and

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(3) a nonprofit corporation providing lending or loan guarantee services.

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Subd. 3. Membership. The working group is comprised of ten members, determined

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as follows:

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(1) three members selected by the commissioner of commerce, one of whom must be

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the commissioner of commerce or the commissioner's designee, one of whom must be an

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attorney with advanced knowledge of financial institution acquisition law, and one of whom

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must be a certified public accountant;

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(2) one member selected by the Independent Community Bankers of Minnesota;

2.1 (3) one member selected by the Minnesota Bankers Association;

2.2 (4) one member selected by the Minnesota Credit Union Network;

2.3 (5) one member from the house of representatives, selected by the speaker of the house;

2.4 (6) one member from the house of representatives, selected by the house minority leader;

2.5 (7) one member from the senate, selected by the senate majority leader; and

2.6 (8) one member from the senate, selected by the senate minority leader.

2.7 Subd. 4. **Organization.** (a) Appointments must be made by July 1, 2021.

2.8 (b) The commissioner of commerce or the commissioner's designee must convene the
2.9 first meeting no later than July 15, 2021.

2.10 (c) The member selected by the speaker of the house and the member selected by the
2.11 senate majority leader must cochair the committee and lead the committee in alternating
2.12 fashion.

2.13 (d) The members must not be reimbursed under Minnesota Statutes, section 15.059.

2.14 Subd. 5. **Staff.** The Legislative Coordinating Commission must provide technical and
2.15 administrative services to the working group.

2.16 Subd. 6. **Task.** The working group must develop recommendations regarding the
2.17 acquisition of non-tax-exempt financial institutions by tax-exempt financial institutions.
2.18 The working group must review, at a minimum, the history of these types of acquisitions
2.19 both in Minnesota and in the United States in general, the state tax and revenue implications
2.20 of acquisitions, the status of state law regarding acquisitions, and the advantages and
2.21 disadvantages of acquisitions to Minnesota. The working group may consult with other
2.22 interested parties as needed.

2.23 Subd. 7. **Report.** The working group must report its findings and recommendations to
2.24 the chairs and ranking minority members of the legislative committees with jurisdiction
2.25 over commerce before January 15, 2022.

2.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.27 expires January 15, 2022.