A BILL FOR AN ACT AUTHORIZING ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE TO CREATE A PUBLIC BANK

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BILL SUMMARY

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

This bill defines a new entity to be known as a “public bank” and authorizes one or more political subdivisions of the state to form a public bank to be chartered under the "State Banking Code".
The bill also creates a new subdivision of the division of banking, to be known as the “Colorado state public banking board” or “public banking board” to charter and regulate public banks, subject to separate statutory provisions applicable specifically to public banks.

The code states that the mission of public banks is to support a strong, stable, and regenerative economy, and to stimulate local economic recovery for people, businesses, and governmental entities.

Under the state banking code public banks:

(a) Accept deposits from their respective government and may accept deposits from the federal government, the state, and from other political subdivisions of the state that do not have their own public bank.

(b) Will make all of its loans within its sponsoring government’s jurisdiction.

(c) May accept deposits from local financial institutions within their jurisdiction to facilitate clearing their checks.

(d) Will cooperate with local financial institutions within their jurisdiction by making loans in partnership with them and may make loans in partnership with local financial institutions located in adjoining jurisdictions that do not yet have a public bank, provided the borrower is located in the public bank’s jurisdiction.

(e) Will not compete with local financial institutions for deposits or in making loans.

(f) Will engage in countercyclical lending practices that tend to avert asset bubbles such as by lending to create new goods and services, and that reduce or prevent recession, such as increasing lending in an economic downturn in partnership with local financial institutions.

(g) Due to the inability of FDIC insurance to cover more than a minute portion of a public bank’s deposits, most of which will be from its own government, and to help ensure countercyclical lending, FDIC insurance will not be required.

(h) A public bank is authorized to back its public deposits by a general pledge of its government’s tangible and intangible assets as collateral, or, in the alternative, by a pledge of its good faith and credit.
(i) A public bank may not be privatized or sold or merged except to or with another public bank that continues operations. A public bank shall automatically qualify as a public depository if it holds deposits primarily of its political subdivision. A public bank shall be exempt from state, county, and municipal taxes and licenses, of any kind.

(j) The code establishes procedures for governance of public banks, including the selection of a board of directors, appointment of the chief executive officer and other officers of the bank, and the advisory council.

(k) The code establishes the requirements that an application of a political subdivision or subdivisions for a public bank charter must fulfill and provide to the public banking board.

(l) The code also establishes the proper standards for operations and financial soundness of a public bank and requires that the public banking board oversee and ensure that a public bank complies with all requirements of the public banking statutes and regulations thereunder governing the operations of a public bank to ensure its safety and soundness and its benefits and support for a strong and stable state banking system and economy.

**BODY OF LEGISLATION**

➢ **ARTICLE 91-101 General Provisions**

♦ **11-91-101 Legislative declarations**

THE GENERAL ASSEMBLY OF THE STATE OF COLORADO HEREBY FINDS AND DECLARES:

(a) THE STATE HAS A STRATEGIC OPPORTUNITY TO CREATE MAJOR BENEFITS FOR ITS CITIZENS BY CODIFYING THE EXISTING AUTHORITY OF POLITICAL SUBDIVISIONS OF THE STATE TO ESTABLISH A PUBLIC DEPOSITORY AND LENDING INSTITUTION OWNED BY ONE OR MORE POLITICAL SUBDIVISIONS AND SERVING THE COMMUNITY IT REPRESENTS. PUBLIC BANKS WILL PRODUCE SUBSTANTIAL NEW REVENUE WITHOUT RAISING TAXES,
WHILE INCREASING FINANCING FOR ESSENTIAL SERVICES AND PROJECTS THAT WILL BENEFIT PRESENT AND FUTURE GENERATIONS.

(b) IN ORDER TO FUND LARGE INFRASTRUCTURE PROJECTS AND IN TIMES OF FINANCIAL CRISIS THROUGHOUT COLORADO HISTORY, POLITICAL SUBDIVISIONS HAVE BORROWED MONEY FOR PUBLIC PURPOSES FROM PRIVATE INVESTORS, WHICH NEARLY DOUBLES THE TOTAL COST DUE TO THE INTEREST PAID ON THE DEBT. AS A RESULT, PUBLIC DEBT STEADILY INCREASES OVER TIME. A PUBLIC BANK LEND DIRECTLY TO ITS GOVERNMENT AND THEREBY CAN REDUCE THE COST OF INTEREST AND THE SIZE OF ITS GOVERNMENT’S DEBT AND ENABLE GOVERNMENT TO OPERATE MORE EFFECTIVELY AND EFFICIENTLY WHenever IT NEEDS FINANCING.

(c) A PUBLIC BANK WILL HELP PREVENT RECESSIONS AND REDUCE THEIR SEVERITY THROUGH COUNTER-CYCLICAL LENDING BY: (i) INCREASING LENDING IN A RECESSION TO OFFSET OR LESSEN THE DECLINE, IN PARTNERSHIP WITH LOCAL FINANCIAL INSTITUTIONS, WITH WHOM IT MAKES JOINT LOANS, JUST AS THE BANK OF NORTH DAKOTA PREVENTED RECESSION IN THAT STATE IN 2008; (ii) AVOIDING INFLATIONARY BUBBLES OF EXISTING ASSETS BY LENDING TO PRODUCE NEW GOODS AND SERVICES; AND (iii) BY NOT PAYING FEES AND COMMISSIONS TO LENDING OFFICERS FOR MAKING LOANS.

(d) BASED UPON THE ABILITY OF A BANK TO LEND UP TO TEN TIMES ITS CAPITAL, A PUBLIC BANK WILL COOPERATE WITH EXISTING LENDING INSTITUTIONS AND PROGRAMS TO INCREASE THEIR LENDING CAPACITY. SUCH PROGRAMS INCLUDE:

(e) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFIs); THE “CLIMBER” SMALL BUSINESS LOAN PROGRAM; COMMUNITY DEVELOPMENT PROGRAMS; AND SUSTAINABLE ECONOMIC DEVELOPMENT PROGRAMS.

(f) POLITICAL SUBDIVISIONS OF COLORADO ARE CURRENTLY EXPERIENCING ECONOMIC RECESSION RESULTING IN BUDGET CUTS IN ORDER TO AVOID BUDGET DEFICITS. PUBLIC
BANKS CAN INCREASE LENDING FOR ESSENTIAL PURPOSES IN ORDER TO REDUCE THE
NEED FOR BUDGET CUTS DURING THE PRESENT CRISIS AND CAN HELP PREVENT OR
MITIGATE FUTURE CRISES.

(g) THE INTEREST INCOME ON THE LOANS IT MAKES MAY BE SHARED WITH THE POLITICAL
SUBDIVISION THAT OWNS THE BANK AND THEREBY ENABLE IT TO BETTER MEET
ESSENTIAL NEEDS OF ITS COMMUNITY.

(h) PUBLIC BANKS CAN REFINANCE EXISTING DEBT AND FINANCE MAJOR NEW
GOVERNMENT PROJECTS DIRECTLY AT LOWER INTEREST RATES AND THEREBY CREATE
AN IMMEDIATE SOURCE OF INCOME FOR THE BANK FROM THE OUTSET OF ITS
OPERATIONS.

(i) PUBLIC BANKS THAT OPERATE ON THE BANK OF NORTH DAKOTA MODEL, AS CALLED
FOR IN THIS LEGISLATION, WILL HAVE VERY LOW OVERHEAD, SAFE LENDING, AND A
VARIETY OF LENDING POSSIBILITIES FROM ITS OUTSET, INCLUDING FINANCING OR
REFINANCING GOVERNMENT DEBT. SUCH PRACTICES WILL GIVE THE BANK A GOOD
PROSPECT OF BEING PROFITABLE IN ITS FIRST YEAR AND THEREAFTER, IN CONTRAST TO
NEW PRIVATE BANKS THAT USUALLY REQUIRE THREE YEARS BEFORE THEY PRODUCE A
PROFIT.

(j) PUBLIC BANKS, IN PARTNERSHIP WITH LOCAL FINANCIAL INSTITUTIONS, CAN PROVIDE
LOWER COST LOANS FOR SMALL BUSINESSES, AFFORDABLE HOUSING, RENEWABLE
ENERGY, INFRASTRUCTURE, HEALTH CARE, SUSTAINABLE AGRICULTURE, EDUCATION,
STUDENT LOANS, BROADBAND, AND OTHER ESSENTIAL NEEDS AND SERVICES.

(k) THE FINANCING PARADIGM IN THE UNITED STATES HAS BEEN FOR GOVERNMENT TO
RELY EXCLUSIVELY ON PRIVATE BANKS AND PRIVATE INVESTORS RATHER THAN PUBLIC
BANKS.

(l) THE LONE EXCEPTION IS **THE 103-YEAR-OLD BANK OF NORTH DAKOTA**. IN 2020, THIS
PUBLICLY OWNED BANK REPORTED ITS TWENTIETH CONSECUTIVE YEAR OF HIGH
PROFITS FOR THE PEOPLE OF NORTH DAKOTA, AVERAGING TWENTY PERCENT RETURN ON EQUITY (20% ROE) OVER THIS PERIOD, WHILE INCREASING PUBLICFINANCING CAPACITY FOR THE STATE. THE BANK OF NORTH DAKOTA, LENDING INPARTNERSHIP WITH LOCAL FINANCIAL INSTITUTIONS TO INCREASE ACCESS TO CREDIT FOR ITS PEOPLE AND BUSINESSES, HOME LOANS, STUDENT LOANS, AND OTHER ECONOMIC DEVELOPMENT PROGRAMS, HAS ALSO PROVIDED STABILITY AND FINANCIAL CAPACITY TO THE PEOPLE OF THE STATE THROUGH ADVERSE ECONOMIC CYCLES, INCLUDING OFFSETTING THE OIL PRICE CRASH OF 2015.

(m) FINDING THAT THERE IS NO LEGAL DEFINITION FOR A “PUBLIC BANK” IN EXISTING COLORADO LAW, THIS BILL WILL CREATE AND DEFINE A NEW ENTITY CALLED A “PUBLIC BANK” FOR THE EXPRESS PURPOSE OF SERVING THE PUBLIC GOOD OF THE PEOPLE OF ITS POLITICAL SUBDIVISION OR SUBDIVISIONS.

(n) A PUBLIC DEPOSITORY BANK ENABLES ITS POLITICAL SUBDIVISION TO EXPAND ITS EXISTING LOAN PROGRAMS.

A PUBLIC DEPOSITORY BANK WILL:

i. SUPPORT SMALL AND MEDIUM-SIZED ENTERPRISES IN THE POLITICAL SUBDIVISION, ESPECIALLY IN Underserved communities OR IN LINES OF BUSINESS WHERE TRADITIONAL SOURCES OF FINANCING ARE NOT AVAILABLE.

ii. ASSIST WORKERS AND COMMUNITIES IN CREATING JOBS BY SUPPORTING COOPERATIVE BUSINESS MODELS INCLUDING WORKER-OWNED AND MANAGED COOPERATIVES.

iii. PROMOTE SUSTAINABLE AGRICULTURE, ADDRESS FOOD INSECURITY, AND PROVIDE FINANCING FOR RURAL BUSINESSES. ADDRESS THE HISTORIC AND CURRENT ECONOMIC INEQUITIES EXPERIENCED BY LOCAL COMMUNITIES OF COLOR, THEIR NEIGHBORHOODS AND THEIR ENTERPRISES THROUGH AFFORDABLE FINANCING.
iv. ADDRESS THE HISTORIC AND CURRENT DISADVANTAGES EXPERIENCED BY THE STATE’S WOMEN-OWNED ENTERPRISES WITH AFFORDABLE FINANCING.

v. OFFER AFFORDABLE FINANCING TO LOCAL BUSINESSES THAT WORK TO PREVENT UNLAWFUL DISCRIMINATION BASED UPON RACE, GENDER, SEXUAL ORIENTATION, COLOR, NATIONALITY, AGE, OR ECONOMIC STATUS.

vi. SUPPORT THE URGENT EXPANSION AND DEVELOPMENT OF PUBLIC AND PRIVATE MEASURES TO MITIGATE THE GRAVE DANGERS THAT CLIMATE CHANGE POSES TO THE PUBLIC AND TO PROMOTE SUBSTANTIAL REDUCTIONS IN GREENHOUSE GAS EMISSIONS.

➢ 11-91-102 Definitions

(a) “LOCAL BUSINESS” MEANS A BUSINESS, A MAJORITY OF WHOSE OWNERS ARE RESIDENTS OF THE POLITICAL SUBDIVISION OR SUBDIVISIONS OF THE SPONSOR.

(b) “LOCAL FINANCIAL INSTITUTION” MEANS A CERTIFIED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION, A CREDIT UNION OR SAVINGS AND LOAN ASSOCIATION, AS DEFINED IN THE BANKING CODE, OR A SMALL BANK OR AN INTERMEDIATE SMALL BANK, AS DEFINED IN SECTION 25.03¹ OF TITLE 12 OF THE CODE OF FEDERAL REGULATIONS.

(c) “PRIVATE BANK” MEANS ANY BANK NOT OWNED BY A STATE, OR POLITICAL SUBDIVISION OF A STATE, OR ANY OTHER GOVERNMENTAL ENTITY.

¹ Definitions “Bank” means a national bank (including a Federal branch as defined in part 28 of this chapter) or a savings association, the deposits of which are insured by the FDIC pursuant to Chapter 16 of Title 12, as described in 12 U.S.C. 1813(c)(2), except as provided in § 25.01(c).”

“Intermediate bank” means a bank with assets that exceed the small bank asset size threshold provided in the small bank definition, as adjusted, and that had assets of $2.5 billion or less in four of the previous five calendar quarters; the dollar figures in this definition shall be adjusted annually and published by the OCC, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each twelve-month period ending in November, with rounding to the nearest $100,000.

(d) “PUBLIC BANK” means a depository bank owned by a political subdivision or subdivisions of the state and that is chartered pursuant to this title.

(e) “PUBLIC BANKING BOARD” means the subdivision of the division of banking established in this legislation and responsible for chartering and regulating public banks in Colorado.

(f) “PUBLIC DEPOSITS” means deposits of a governmental entity or of a sponsor.

(g) “SPONSOR” means the political subdivision or subdivisions that own a public bank.

(h) “TABOR ENTERPRISE” means a self-sustaining business that complies with the terms of section 20 (2)(d), article X of the Colorado constitution, commonly known as the “TABOR AMENDMENT”.

(i) "AFFILIATE" means:

i. In the case of a person other than an individual, another person that directly, or indirectly through one of more intermediaries, controls, or is controlled by, or is under common control with such person.

ii. In the case of an individual, (I) any member of the immediate family of such individual, including parents, siblings, spouse and children (including those by adoption) and any other person who lives in such individual’s household; the parents, siblings, spouse, or children (including those by adoption) of such immediate family member, and in any such case any trust whose primary beneficiary is such individual or one or more members of such immediate family member and/or such individual’s lineal descendants; (II) the legal representative or guardian of such individual or of any such immediate family member in the event such individual or any such immediate family member becomes mentally
INCOMPETENT; AND (III) ANY PERSON CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH SUCH INDIVIDUAL.

iii. AS USED IN THIS DEFINITION, THE TERM "CONTROL," INCLUDING THE CORRELATIVE TERMS "CONTROLLING," "CONTROLLED BY" AND "UNDER COMMON CONTROL WITH," MEANS POSSESSION, DIRECTLY OR INDIRECTLY, OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF MANAGEMENT OR POLICIES (WHETHER THROUGH OWNERSHIP OF SECURITIES OR ANY PARTNERSHIP OR OTHER OWNERSHIP INTEREST, BY CONTRACT OR OTHERWISE) OF A PERSON. SUCH CONTROL SHALL BE PRESUMED TO EXIST WHERE A PERSON OWNS A TEN PERCENT OR GREATER OWNERSHIP INTEREST IN ANOTHER PERSON.

➢ ARTICLE 91-201: Subdivision of Public Banking

♦ 11-91-201 Establishment of Colorado state public banking board

A NEW SUBDIVISION OF THE DIVISION OF BANKING IS HEREBY CREATED TO BE KNOWN AS THE “COLORADO STATE PUBLIC BANKING BOARD” OR “PUBLIC BANKING BOARD” TO CHARTER AND REGULATE PUBLIC BANKS, SUBJECT TO SEPARATE STATUTORY PROVISIONS APPLICABLE SPECIFICALLY TO PUBLIC BANKS CONSISTENT WITH PROVISIONS HEREIN AND TO BE DRAFTED TO CONSTITUTE A FULL BODY OF LEGISLATION AND REGULATIONS PURSUANT THERETO FOR THE REGULATING OF PUBLIC BANKS.

♦ 11-91-202 Composition and operation of the public banking board

(a) THE BOARD WILL CONSIST OF NINE MEMBERS, WHO ARE RESIDENTS OF COLORADO, SELECTED FROM THE FOLLOWING CATEGORIES:

i. THREE PERSONS WITH SIGNIFICANT KNOWLEDGE AND EXPERTISE IN PUBLIC BANKING.

ii. THREE BANKING OFFICIALS FROM LOCAL FINANCIAL INSTITUTIONS.
iii. THREE PERSONS FROM AMONG STAKEHOLDER INTERESTS SUCH AS LABOR, ENVIRONMENTAL, AGRICULTURE, AFFORDABLE HOUSING, EDUCATION, HEALTH, AND SMALL BUSINESS.

(b) THE PUBLIC BANKING BOARD WILL HAVE THE FOLLOWING RESPONSIBILITIES:

i. PROTECT THE PUBLIC INTEREST AND PRESERVE THE PUBLIC TRUST IN THE COLORADO PUBLIC BANKING INDUSTRY BY REGULATING THE BUSINESS OF STATE-CHARTERED PUBLIC BANKS.

ii. THE BOARD SHALL HIRE SUCH SUBORDINATE PERSONNEL AS THEY DEEM NECESSARY TO FULFILL THE BOARD’S PURPOSES AND DUTIES UNDER THIS CHAPTER.

iii. REVIEW AND DECIDE UPON APPLICATIONS FOR A CHARTER FOR A PUBLIC BANK.

iv. REGULATE CHARTERED PUBLIC BANKS PURSUANT TO THE STATUTES AND REGULATIONS GOVERNING PUBLIC BANKS.

v. PREPARE AND UPDATE REGULATIONS GOVERNING PUBLIC BANKS PURSUANT TO THIS CHAPTER.

(c) COMPENSATION OF PUBLIC BANKING BOARD MEMBERS

i. BOARD MEMBERS SHALL BE REIMBURSED FOR THEIR TIME AND TRAVEL EXPENSES FOR ATTENDING MEETINGS OF THE BOARD AT THE CUSTOMARY RATE FOR STATE OFFICIALS.

➢ ARTICLE 92: Authorization for political subdivisions of the state to establish public banks – enterprise

♦ 11-92-101 Authorization of political subdivisions to form public bank

(a) ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE MAY FORM A LIMITED LIABILITY COMPANY UNDER ARTICLE 80 OF TITLE 7 OR MAY FORM A PUBLIC
BENEFIT CORPORATION UNDER PART 5 OF ARTICLE 101 OF TITLE 7 FOR THE PURPOSE OF OPERATING A STATE CHARTERED PUBLIC BANK UNDER THIS CODE.

(b) A POLITICAL SUBDIVISION SHALL NOT FORM A LIMITED LIABILITY COMPANY OR A PUBLIC BENEFIT CORPORATION AS A PUBLIC BANK WITH ANY PERSON OTHER THAN ANOTHER POLITICAL SUBDIVISION.

(c) A PUBLIC BANK UNDER THIS SECTION MAY BE FORMED AS A TABOR ENTERPRISE. IF A PUBLIC BANK IS FORMED AS A TABOR ENTERPRISE, ITS STATUS SHALL BE EFFECTIVE SO LONG AS IT COMPLIES WITH THE REQUIREMENTS OF ARTICLE X, SECTION 20 (2)(d) OF THE COLORADO CONSTITUTION, CURRENTLY REQUIRING THAT IT IS GOVERNMENT-OWNED, RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS, AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN ANY YEAR IN GRANTS FROM THE STATE OF COLORADO OR ANY OF ITS POLITICAL SUBDIVISIONS COMBINED.

(d) A PUBLIC BANK IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT CONSTITUTES AN ENTERPRISE UNDER THAT SECTION.

**11-92-102 The mission and purposes of public banks**

THE MISSION OF PUBLIC BANKS IS TO SUPPORT A STRONG, STABLE, AND REGENERATIVE ECONOMY, AND TO STIMULATE LOCAL ECONOMIC RECOVERY FOR PEOPLE, BUSINESSES, AND GOVERNMENTAL ENTITIES.

THE PURPOSES OF A PUBLIC BANK MAY INCLUDE:

(a) TO REDUCE THE COST OF DEBT AND THE OUTSTANDING DEBT OF POLITICAL SUBDIVISIONS, AND OF THE PEOPLE AND BUSINESSES OF THEIR LOCAL COMMUNITIES.
(b) PROVIDE LOAN PARTICIPATION AND CREDIT SUPPORT FOR LOCAL FINANCIAL INSTITUTIONS WHILE ADDRESSING CREDIT NEEDS IN UNBANKED AND UNDER-BANKED COLORADO COMMUNITIES.

(c) ADDRESS UNMET SOCIAL AND ECONOMIC NEEDS OF THE PEOPLE OF COLORADO AND PRIORITIZE SOLUTIONS FOR THE COMMON GOOD.

(d) OBTAIN A REASONABLE MONETARY RETURN ON INVESTMENTS.

(e) STRENGTHEN THE LOCAL FINANCIAL SYSTEM BY MAKING LOANS IN PARTNERSHIP WITH LOCAL FINANCIAL INSTITUTIONS, AND BY NOT COMPETING WITH THEM TO OBTAIN PRIVATE DEPOSITS OR IN MAKING LOANS.

(f) FINANCE PUBLIC INFRASTRUCTURE AND REFINANCE EXISTING GOVERNMENT DEBT AT LOWER INTEREST RATES.

➢ 11-92-103 Powers of a public bank

(a) THE PUBLIC BANK SHALL HAVE ALL THE RIGHTS AND POWERS OF A PRIVATE BANK AS SET FORTH IN SECTION 11-103-101 OF THIS TITLE AND OTHER RIGHTS AND POWERS CONFERRED BY TITLE 11, SUBJECT TO LIMITATIONS IN THIS ARTICLE IN STATUTES TO BE PREPARED, WHICH RIGHTS AND POWERS SHALL BE EXERCISED IN A MANNER CONSISTENT WITH ITS MISSION AND PURPOSES. THE PUBLIC BANK MAY LIMIT AND DEFINE ITS RIGHTS AND POWERS IN THE APPLICATION THAT IT SUBMITS PURSUANT TO SECTION 11-93-201 OF THIS ARTICLE.

(b) NOTWITHSTANDING SECTION 11-10.5-106, A PUBLIC BANK THAT HOLDS DEPOSITS OF ITS SPONSOR, OR ALSO HOLDS DEPOSITS OF OTHER POLITICAL SUBDIVISIONS AS AUTHORIZED IN SECTION 11-92-105(b) OF THIS SECTION IS AN ELIGIBLE PUBLIC DEPOSITORY.

(c) ANY OFFICIAL CUSTODIAN, AS DEFINED IN SECTION 11-10.5-103(9), MAY DEPOSIT PUBLIC FUNDS IN ANY PUBLIC BANK WITHIN ITS JURISDICTION THAT IS AN ELIGIBLE
PUBLIC DEPOSITORY, OR, IF THE PUBLIC UNIT OF THE CUSTODIAN DOES NOT HAVE ITS OWN PUBLIC BANK, THE CUSTODIAN MAY TEMPORARILY DEPOSIT PUBLIC FUNDS IN A PUBLIC BANK OF AN ADJOINING JURISDICTION UNTIL THE PUBLIC UNIT HAS ITS OWN PUBLIC BANK.

(d) A PUBLIC BANK THAT HOLDS DEPOSITS PRIMARILY OF ITS SPONSOR IS NOT REQUIRED TO OBTAIN OR MAINTAIN DEPOSIT INSURANCE PROVIDED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY SUCCESSOR AGENCY.

(e) A PUBLIC BANK SHALL NOT BE REQUIRED TO BE A MEMBER OF THE FEDERAL RESERVE SYSTEM, AS MEMBERSHIP MAY REQUIRE COMPLIANCE WITH BASEL II AND III LENDING RULES WHOSE EFFECTS ARE PRO-CYCLICAL, WHICH WOULD CANCEL THE COUNTER-CYCLICAL BENEFITS OF A PUBLIC BANK. A PUBLIC BANK MAY HAVE A BUSINESS RELATIONSHIP WITH THE REGIONAL FEDERAL RESERVE BANK SO AS TO DO CHECK PROCESSING, DEPOSIT EXCESS CASH BALANCES, MAINTAIN A RESERVE REQUIREMENT, SAFE-KEEP ITS FEDERAL RESERVE BOOK ENTRY SECURITIES, AND HAVE DISCOUNT WINDOW BORROWING AUTHORITY.

♦ 11-92-104 Duties and limitations of a public bank

(f) WITHIN THE OVERALL UNDERWRITING AND FINANCIAL POLICIES OF A PUBLIC BANK, THE PUBLIC BANK SHALL PRIORITIZE LOANS SUPPORTING WORKER COOPERATIVES, COMMUNITY LAND TRUSTS, LOW-INCOME AND AFFORDABLE HOUSING, RENEWABLE ENERGY, INFRASTRUCTURE DEVELOPMENT, NOT-FOR-PROFIT HEALTH CARE AND HOSPITALS, SMALL BUSINESSES, SMALL FARMS, REGENERATIVE AGRICULTURE, MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES, PUBLIC EDUCATION, FINANCING OR REFINANCING STUDENT LOANS, AND OTHER INITIATIVES THAT FULFILL THE PUBLIC BANK'S MISSION, WITH A FOCUS
ON SERVING UNDERSERVED AND UNDERBANKED COMMUNITIES, AS WELL AS THOSE WITHIN ECONOMICALLY DISTRESSED COMMUNITIES.

(g) THE SPONSOR MAY PROHIBIT INVESTMENTS AND LOANS THAT MAY BENEFIT ANY TYPE OF DESIGNATED BUSINESS INCLUDING THE FOSSIL FUEL AND PETROCHEMICAL INDUSTRIES, UNSUSTAINABLE AGRICULTURE, WEAPONS OR GUN MANUFACTURERS, MILITARY SYSTEMS COMPANIES, PRIVATE PRISONS, IMMIGRATION DETENTION FACILITIES, COMPANIES ENGAGED IN OFFSHORE TAX AVOIDANCE OR EXPLOITATIVE BUSINESS OR LABOR PRACTICES OR THE TOBACCO INDUSTRY, ALL AS DETERMINED BY THE SPONSOR IN THE PUBLIC BANK'S GOVERNING DOCUMENTS.

(h) A PUBLIC BANK MAY ONLY MAKE LOANS TO BORROWERS LOCATED WITHIN ITS OWN POLITICAL SUBDIVISION OR SUBDIVISIONS AND TO AN ADJOINING SUBDIVISION THAT DOES NOT HAVE ITS OWN PUBLIC BANK.

➢ 11-92-105 Financial and operations framework

THE PUBLIC BANK MAY

(a) RAISE CAPITAL THROUGH:

i. REVENUE BONDS,

ii. POOLED FUNDS,

iii. FEDERAL STIMULUS TO COLORADO,

iv. PENSION FUNDS,

v. EXISTING REVOLVING LOAN FUNDS,

vi. PARTICIPATING POLITICAL SUBDIVISIONS

(b) ACCEPT DEPOSITS FROM ITS SPONSOR, THE FEDERAL GOVERNMENT, THE STATE, AND FROM OTHER POLITICAL SUBDIVISIONS OF THE STATE THAT DO NOT HAVE THEIR OWN PUBLIC BANK.
(c) ALL LENDING AND ACTIONS OF THE PUBLIC BANK SHALL ABIDE BY THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES.

(d) THE PUBLIC BANK SHALL NOT BE PRIVATIZED AND SHALL NOT BE SOLD TO, ACQUIRED BY, OR MERGED WITH ANOTHER ENTITY UNLESS SUCH ENTITY IS A FULLY OPERATING PUBLIC BANK WITH A COLORADO PUBLIC BANK CHARTER.

➢ 11-92-106 Sound banking practices

(a) A PUBLIC BANK SHALL OPERATE IN ACCORDANCE WITH SOUND BANKING PRACTICES THAT ARE GENERALLY FOLLOWED BY PUBLIC BANKS, SUCH AS THE BANK OF NORTH DAKOTA.

(b) A PUBLIC BANK SHALL NOT INVEST IN SPECULATIVE INSTRUMENTS, CREDIT-DEFAULT SWAPS, INTEREST-RATE SWAPS, COMMODITIES FUTURES, COLLATERALIZED DEBT OBLIGATIONS, MORTGAGE-BACKED SECURITIES, OR DERIVATIVES, EXCEPT FOR REASONABLE PROTECTION AGAINST UNUSUAL FLUCTUATIONS IN INTEREST RATES, PROVIDED THE DERIVATIVE IS FIRST APPROVED BY A VOTE OF THE ENTIRE BOARD OF THE BANK.

(c) A PUBLIC BANK SHALL NOT OFFER TO ACCEPT OR ACCEPT ANY MONEY FOR A DEMAND, SAVINGS, CHECKING, OR TIME DEPOSIT ACCOUNT, OR ANY OTHER SIMILAR ACCOUNT, IN CONNECTION WITH ANY TRANSACTION FROM ANY PERSON THAT IS NOT A GOVERNMENTAL ENTITY, EXCEPT IN CONNECTION WITH A LOAN MADE IN PARTNERSHIP WITH A LOCAL FINANCIAL INSTITUTION.

➢ 11-92-107 Tax exemption

Tax exempt status.
A PUBLIC BANK SHALL BE EXEMPT FROM STATE, COUNTY, AND MUNICIPAL TAXES AND LICENSES OF ANY KIND, INCLUDING INCOME, CAPITAL GAIN, REAL ESTATE, AND MORTGAGE RECORDING FEES.

➢ 11-92-108 Exclusive right to name

Exclusive right to use "public bank" or similar name in its title.

A PUBLIC BANK HAS THE EXCLUSIVE RIGHT TO USE THE WORDS "PUBLIC BANK" FOLLOWED BY THE NAME OF THE POLITICAL SUBDIVISION, OR, IF MORE THAN ONE POLITICAL SUBDIVISION COMBINES TO FORM THE BANK, OF A DESCRIPTION OF THE COMBINATIONS OF THE LOCAL GOVERNMENTS IN ITS NAME OR TITLE. ANY OTHER PERSON, ASSOCIATION, CORPORATION, OR PARTNERSHIP USING THE WORDS "PUBLIC BANK" FOLLOWED BY THE NAME OF THE POLITICAL SUBDIVISION, OR IF MORE THAN ONE, OF A DESCRIPTION OF THE COMBINATIONS OF THE LOCAL GOVERNMENTS IN ITS NAME OR TITLE IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN ONE THOUSAND DOLLARS FOR EACH WEEK THAT THE OFFENDER CONTINUES TO VIOLATE THIS PROVISION.

A PUBLIC BANK SHALL INCLUDE IN ITS TITLE THE TERM “THE PUBLIC BANK OF” OR “_________ PUBLIC BANK”.

➢ ARTICLE 93: Governance.

♦ 11-93-101 Definitions

(a) “INDEPENDENT”: WHEN APPLIED TO A BOARD OF A BANK IS A MEMBER WHO IS NOT ALSO A GOVERNMENT EMPLOYEE.

(b) “QUORUM”: A SIMPLE MAJORITY OF PARTICIPANTS OF THE BOARD OR COUNCIL.

(c) “SPONSOR”: ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE THAT OWN A PUBLIC BANK.
11-93-102 Principles of public bank governance

(a) SERVING PUBLIC GOOD
(b) SECURITY OF PUBLIC FUNDS
(c) TRANSPARENCY
(d) ACCOUNTABILITY
(e) REGIONAL PRINCIPLE OR OPERATION WITHIN THE BANK’S JURISDICTION
(f) SAFE AND SOUND OPERATION
(g) SUPPORT FOR A SAFE AND SOUND STATE BANKING SYSTEM

11-93-103 Board of directors

(a) A PUBLIC BANK SHALL BE GOVERNED BY ITS BOARD OF DIRECTORS (THE “BOARD”).
   SUCH BOARD SHALL BE COMPOSED OF SEVEN, NINE, OR ELEVEN DIRECTORS. EACH
   DIRECTOR SHALL RESIDE WITHIN THE JURISDICTIONAL BOUNDARIES OF ITS SPONSOR.
(b) THE BOARD OF A PUBLIC BANK SHALL OVERSEE AND ASSURE COMPLIANCE OF THE
   BANK WITH ITS GOVERNING LEGISLATION, CHARTER, ARTICLES OF INCORPORATION
   OR OPERATING AGREEMENTS, AND BYLAWS.
(c) THE BOARD SHALL DETERMINE THE COMPENSATION OF THE BANK’S CHIEF
   EXECUTIVE OFFICER AND SHALL EVALUATE THE CHIEF EXECUTIVE OFFICER’S
   PERFORMANCE.
(d) THE SPONSOR SHALL DETERMINE THE PUBLIC BANK’S INITIAL BOARD IN THE
   FOLLOWING MANNER:
   i. THE HEAD OR HEADS OF THE EXECUTIVE BRANCH OF GOVERNMENT OR
      GOVERNMENTS OF THE SPONSOR, SHALL APPOINT THREE MEMBERS, AT LEAST ONE
      OF WHOM SHALL HAVE COMMUNITY BANKING EXPERIENCE AND AT LEAST ONE OF
      WHOM SHALL BE INDEPENDENT.
ii. THE LEGISLATIVE BRANCH OR BRANCHES OF THE SPONSOR SHALL APPOINT THREE MEMBERS, AT LEAST ONE OF WHOM SHALL HAVE COMMUNITY BANKING EXPERIENCE AND AT LEAST ONE OF WHOM SHALL BE INDEPENDENT.

iii. THE CHIEF OFFICIAL OR OFFICIALS CHARGED WITH OVERSEEING THE SPONSOR’S FINANCES AND THE ADMINISTRATION OF PUBLIC FUNDS SHALL APPOINT ONE MEMBER WHO SHALL HAVE COMMUNITY BANKING EXPERIENCE AND BE INDEPENDENT; AND

iv. THE BOARD MEMBERS SELECTED PURSUANT TO PARAGRAPHS (a) THROUGH (c) OF THIS SUBDIVISION SHALL, PURSUANT TO A TWO-THIRDS MAJORITY VOTE, APPOINT AT THEIR DISCRETION AND IN ACCORDANCE WITH SUBDIVISIONS FIVE AND SIX OF THIS SECTION, UP TO AN ADDITIONAL FOUR BOARD MEMBERS, WITH THE PURPOSE OF MAXIMIZING BOARD DIVERSITY TO INCLUDE A VARIETY OF THE SPONSOR’S COMMUNITY STAKEHOLDERS, INCLUDING COMMUNITY-BASED ORGANIZATIONS, LABOR ORGANIZATIONS AND THOSE GROUPS PRIORITIZED BY THE BANK’S UNDERWRITING AND FINANCIAL POLICIES, AS REFLECTED IN SECTION ONE HUNDRED FIFTY-SIX-G OF THIS ARTICLE.

v. 3. THE BOARD SHALL ADOPT BYLAWS, GOVERNING DOCUMENTS OR THEIR FUNCTIONAL EQUIVALENTS AS REQUIRED BY THE PUBLIC BENEFIT CORPORATION LAW, OR LIMITED LIABILITY COMPANY LAW, AS APPLICABLE, BASED ON THE CORPORATE STRUCTURE OF THE BANK. SUCH GOVERNING DOCUMENTS SHALL INCLUDE: (A) PROCEDURES TO REMOVE DIRECTORS CONSISTENT WITH THIS ARTICLE; (B) APPROPRIATE TERM LIMITS FOR BOARD MEMBERS.

vi. AT LEAST ONE BOARD MEMBER APPOINTED PURSUANT TO PARAGRAPH (a) AND ONE BOARD MEMBER APPOINTED PURSUANT TO PARAGRAPH (b) OF SUBDIVISION (4) OF THIS SECTION SHALL BE A REPRESENTATIVE OF ONE OF THE COMMUNITY
STAKEHOLDERS PRIORITIZED BY THE BANK’S UNDERWRITING AND FINANCIAL POLICIES AS REFLECTED IN SECTION ONE HUNDRED FIFTY-SIX-G OF THIS ARTICLE.

vii. WHEN A BOARD MEMBER RESIGNS OR CEASES TO BE A BOARD MEMBER FOR ANY REASON, THE INDIVIDUAL APPOINTED TO REPLACE SUCH BOARD MEMBER SHALL BE APPOINTED IN ACCORDANCE WITH THE SAME SELECTION CRITERIA AND PROCESS BY WHICH SUCH DEPARTING MEMBER WAS APPOINTED UNDER SUBDIVISION (4) OF THIS SECTION.

viii. THE SPONSOR AND BOARD WILL TAKE REASONABLE EFFORTS TO ENSURE THAT THE COMPOSITION OF THE BOARD REFLECTS THE DIVERSITY OF THE POPULATION OF THE SPONSOR.

ix. A MAJORITY OF THE BOARD, INCLUDING THE CHAIR, SHALL NOT BE GOVERNMENT EMPLOYEES.

x. THE BOARD SHALL SET POLICY FOR THE BANK; PROVIDED THAT NEITHER THE BOARD NOR ANY DIRECTOR SHALL BE INVOLVED IN DAY TO DAY DECISIONS REGARDING PARTICULAR INSTRUMENTS.

xi. THE PRESIDENT SHALL BE APPOINTED BY THE BOARD CONSISTENT WITH BANK POLICY.

xii. THE PRESIDENT SHALL APPOINT OTHER OFFICERS OF THE BANK SUBJECT TO APPROVAL BY THE BOARD.

xiii. THE BOARD MAY ESTABLISH ONE OR MORE COMMITTEES TO OVERSEE THE OPERATIONS OF THE BANK AND TO ENSURE THE BANK’S TRANSPARENCY, COMPLIANCE WITH THE LAW, REGULATIONS AND ITS BYLAWS, COMPLIANCE WITH THE PUBLIC PURPOSES OF THE BANK, CREDIT ALLOCATION CONSISTENT WITH ITS CHARTER AND MISSION, ITS FINANCIAL SOUNDNESS, AND ACCOUNTABILITY TO THE PUBLIC AND THE SPONSOR.
THE BOARD SHALL ADHERE TO ALL REPORTING REQUIREMENTS PROVIDED IN THIS
CHAPTER AND REGULATIONS ISSUED PURSUANT THERETO REGARDING THE BANK'S
OPERATIONS AND FINANCIAL CONDITION AND SHALL COMPLY WITH MEASURES
REASONABLY REQUESTED BY THE PUBLIC BANKING BOARD CONSISTENT WITH
THIS CHAPTER WITH REGARD TO ITS OPERATIONS AND FINANCIAL CONDITION.

THE BOARD OF DIRECTORS SHALL FORM AN ADVISORY COUNCIL IN ORDER TO
PROVIDE ADVICE TO THE BOARD AND TO THE SPONSOR AND CARRY OUT ANY
OTHER DUTIES AS DETERMINED BY THE SPONSOR AND THE BOARD, INCLUDING
THE FOLLOWING:

1. PROVIDE INPUT TO THE BOARD OF DIRECTORS REGARDING WAYS TO
   ACCOMPLISH ITS MISSION.

2. ENSURE THAT THE BANK STRICTLY follows ITS ETHICAL STANDARDS AS
determined by the sponsor and the board in the bank's governing
documents;

3. PROVIDE TECHNICAL ADVICE AS NEEDED.

4. PROVIDE AN ANNUAL REPORT TO THE BOARD AND THE SPONSOR, WHO SHALL
   RELEASE THE REPORT TO THE PUBLIC IN A TIMELY MANNER. THE REPORT
   SHALL PRESENT AND EVALUATE THE BANK'S OPERATIONS AND PERFORMANCE
   IN RELATION TO ITS MISSION, ITS ETHICAL STANDARDS, AND ITS FINANCIAL
   SOUNDNESS.

5. PROVIDE INTERMEDIATE REPORTS OF THE BANK'S OPERATIONS AS REQUIRED
   PURSUANT TO REGULATIONS ISSUED TO GOVERN THE BANK'S OPERATIONS.

(e) THE BOARD WILL DETERMINE THE INITIAL ADVISORY COUNCIL MEMBERSHIP, THE
TERM OF ITS MEMBERS, THEIR QUALIFICATIONS, AND THE METHOD FOR REPLACING
ITS MEMBERS, PROVIDED THAT A MAJORITY OF THE ADVISORY COUNCIL IS MADE UP
OF MEMBERS WHO ARE NOT GOVERNMENTAL EMPLOYEES. THE ADVISORY COUNCIL
SHALL BE COMPRISED OF NO FEWER THAN FIVE AND NO MORE THAN ELEVEN MEMBERS. ANY ADVISORY COUNCIL MEMBER SHALL LIVE WITHIN THE JURISDICTIONAL BOUNDARY OF THE BANK’S SPONSOR.

(f) ANY ACTION REQUIRED OR PERMITTED BY THIS CHAPTER TO BE TAKEN BY THE BOARD OR AN ADVISORY COUNCIL MAY BE TAKEN AT A DULY CALLED MEETING OF SUCH BOARD OR COUNCIL IN ACCORDANCE WITH ITS GOVERNING DOCUMENTS, OR WITHOUT A MEETING IF THE ACTION TAKEN IS EVIDENCED BY ONE OR MORE WRITTEN CONSENTS OF THE MAJORITY OF THE BOARD DESCRIBING THE ACTION TAKEN AND SIGNED BY A MAJORITY OF THE MEMBERS OF THE BOARD OR ADVISORY COUNCIL WITH EVIDENCE THAT ALL MEMBERS WERE TIMELY NOTIFIED OF THE PROPOSED ACTION.

♦ 11-93-201 Public bank charter application requirements

(a) A PROPOSED PUBLIC BANK CHARTER SHALL BE APPROVED BY THE PUBLIC BANKING BOARD UPON SUBMISSION BY THE SPONSOR OF THE PUBLIC BANK APPLICATION DOCUMENTS THAT DEMONSTRATE THE FOLLOWING:

i. THE PURPOSE OF THE PROPOSED PUBLIC BANK IS CONSISTENT WITH THE PURPOSES REQUIRED UNDER THIS ARTICLE.

ii. MINIMUM INITIAL CAPITALIZATION IS NO LESS THAN TEN PERCENT OF THE PUBLIC BANK’S PROJECTED LENDING TOTAL FOR THE FIRST YEAR OF OPERATION AFTER RECEIPT OF ITS CHARTER.

iii. ADEQUATE RESERVES AND LIQUIDITY EXIST TO COVER THE PUBLIC BANK’S OBLIGATIONS RELATING TO DEPOSIT WITHDRAWALS AND DEFAULTED LOANS.

iv. THE QUALIFICATIONS OF THE PROPOSED DIRECTORS.
v. THE QUALIFICATIONS OF THE PROPOSED CHIEF EXECUTIVE OFFICER AND MANAGEMENT TEAM.

vi. AN ORGANIZATIONAL CHART.

vii. POLICIES AND PROCEDURES PROHIBITING ANY ELECTED OFFICIAL, OR AFFILIATES OF SUCH OFFICIALS, FROM RECEIVING A LOAN OR OTHER FINANCIAL BENEFIT FROM THE PUBLIC BANK.

viii. A GENERAL PLEDGE BY ITS SPONSOR OF ITS TANGIBLE AND INTANGIBLE ASSETS AS COLLATERAL FOR ITS PUBLIC DEPOSITS, OR, IN THE ALTERNATIVE, A PLEDGE OF ITS FULL FAITH AND CREDIT TO BACK THE BANK’S PUBLIC DEPOSITS, WHICH PLEDGE SHALL BE DEEMED TO CONSTITUTE ACCEPTABLE COLLATERAL IN COMPLIANCE WITH § 11-10.5-106 OF THE PUBLIC DEPOSIT PROTECTION ACT. (11-10.5-101 – 11-10.5-112.)

ix. SUFFICIENT PROVISION FOR INTERNAL AUDITS AND CONTROLS AND AN ANNUAL EXTERNAL AUDIT BY AN INDEPENDENT AUDITOR.

x. A PRO FORMA FINANCIAL STATEMENT PROJECTING ASSETS, LIABILITIES, INCOME AND EXPENSES FOR NO LESS THAN A THREE-YEAR PERIOD.

xi. THE IMPACT OF THE PUBLIC BANK ON THE SPONSOR’S FINANCIAL CONDITION.

xii. A PLAN TO COMPLY WITH THE COMMUNITY REINVESTMENT ACT AND FAIR LENDING REQUIREMENTS UNDER COLORADO AND FEDERAL LAW.

xiii. A COPY OF ITS ARTICLES OF INCORPORATION OR ORGANIZATION.

xiv. A NARRATIVE BUSINESS PLAN DESCRIBING THE BANKING SERVICES TO BE PROVIDED AND

xv. SUCH OTHER INFORMATION AS THE PUBLIC BANKING BOARD MAY REASONABLY REQUIRE.

(b) THE SPONSOR SHALL DEPOSIT ALL ITS TAX AND OTHER REVENUE IN THE PUBLIC BANK. THE CHIEF FINANCIAL OFFICER OF THE BANK, SUBJECT TO THE APPROVAL OF
THE BOARD OF THE BANK AND ITS ADVISORY COUNCIL, MAY DEPOSIT A PORTION OF
ITS TAX AND OTHER REVENUE IN LOCAL FINANCIAL INSTITUTIONS IN THE SPONSOR’S
JURISDICTION IF DEEMED BENEFICIAL TO ITS LENDING IN PARTNERSHIP WITH LOCAL
FINANCIAL INSTITUTIONS AND TO ITS COMMUNITY’S ECONOMY.

(c) PUBLIC BANK APPLICATION DOCUMENTS ARE NOT REQUIRED TO INCLUDE A MARKET,
PUBLIC CONVENIENCE AND ADVANTAGE, COMPETITIVE IMPACT OR A BANK PREMISES
ANALYSIS OR ADDRESS ANY MATTERS OTHER THAN THOSE LISTED IN SUBDIVISION ONE OF THIS SECTION.

(d) A PUBLIC BANK CHARTER APPLICATION SHALL BE PROMPTLY REVIEWED AND RULED
UPON BY THE PUBLIC BANKING BOARD. A PUBLIC BANK CHARTER APPLICATION THAT
DOES NOT CONFLICT WITH ANY REQUIREMENTS EXPRESSLY PROVIDED IN
SUBDIVISION ONE OF THIS SECTION SHALL BE LIBERALLY GRANTED BY THE PUBLIC
BANKING BOARD.

(e) IF AN APPLICATION IS DENIED, THE PUBLIC BANKING BOARD SHALL PROVIDE A
DETAILED WRITTEN EXPLANATION OF THE REASONS FOR THE DENIAL, SPECIFY WHAT
ADDITIONAL INFORMATION OR REQUIREMENTS ARE NEEDED, AND PROVIDE THE
SPONSOR ADEQUATE TIME TO ADDRESS SUCH REQUIREMENTS.

(f) IF AN APPLICATION FOR A PUBLIC BANK CHARTER IS DENIED BY THE PUBLIC BANKING
BOARD, THE APPLICANT MAY APPEAL TO THE COLORADO SUPREME COURT.

♦ 11-93-202 Inconsistency with other laws

(a) A PUBLIC BANK SHALL COMPLY WITH ALL REQUIREMENTS OF ARTICLES 91 THROUGH
93 OF THIS TITLE AND OTHER PROVISIONS OF THIS TITLE AS REQUIRED THEREIN, AND
ALL OTHER RELEVANT PROVISIONS OF STATE OR LOCAL LAW, EXCEPT TO THE
EXTENT THAT A REQUIREMENT OF ANY OF THOSE LAWS IS INCONSISTENT WITH A
PROVISION OF ARTICLES 91 THROUGH 93, IN WHICH CASE THE PROVISIONS OF ARTICLES 91 THROUGH 93 SHALL PREVAIL.

(b) A PUBLIC BANK SHALL RESPOND TO AND COMPLY WITH REGULATIONS, RULINGS, REQUESTS, AND ORDERS OF THE PUBLIC BANKING BOARD.

(c) NOTWITHSTANDING ANY PROVISION OF STATE OR LOCAL LAW, A STATE AUTHORITY OR ANY POLITICAL SUBDIVISION MAY LEND ITS CREDIT TO ANY PUBLIC BANK.

(d) NOTWITHSTANDING ANY PROVISION OF STATE OR LOCAL LAW, ANY STATE AUTHORITY OR POLITICAL SUBDIVISION OF THE STATE MAY INVEST IN COMMERCIAL PAPER, DEBT SECURITIES OR OTHER OBLIGATIONS OF A PUBLIC BANK.

(e) NOTWITHSTANDING ANY PROVISION OF STATE OR LOCAL LAW, A PUBLIC BANK SHALL BE ELIGIBLE TO RECEIVE MONEY FROM ANY FEDERAL AUTHORITY, OR FROM ANY AUTHORITY OF THE STATE, OR FROM ANY POLITICAL SUBDIVISION OF THE STATE.

11-93-203 Owners not to be considered bank holding companies

FOR THE PURPOSES OF TITLE 11 OF THIS CODE, ANY SPONSOR THAT OWNS, CONTROLS, OR HOLDS AN OWNERSHIP INTEREST IN A PUBLIC BANK IS NOT A BANK HOLDING COMPANY BY REASON OF THAT OWNERSHIP INTEREST.

4. EFFECTIVE DATE

Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 9 2022, if adjournment sine die is on May 11 2022); except that, if a referendum petition is filed pursuant to section 1(3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people
at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.