

**SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
2016 MEMBERS**

Sen. W. Burt Jones, Chairman

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Sen. David Shafer, Ex-Officio

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Sen. Michael "Doc" Rhett

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Sen. Marty Harbin

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SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
COMMITTEE RULES
2015-2016 Term

1. The Committee Quorum shall be six (6) members.
2. The Chairman shall determine bills and resolutions to be considered and the order in which such are considered.
3. The Chairman shall have the authority to refer bills and resolutions to Subcommittees for study. Such Subcommittees shall have the authority to make recommendations to the full Committee. All actions of any Subcommittee shall be approved or disapproved by the Standing Committee.
4. The Committee shall convene, recess, put all questions, and adjourn upon the order of the Chairman.
5. Committee rules may be amended by a two-thirds vote of the full membership of the Committee.
6. A bill, resolution, or other matter shall be considered only after presentation by its principal author or his or her designee. The principal author shall be notified in writing at his or her Capitol office no less than twenty-four (24) hours prior to the scheduled presentation. In the event more than one member of the General Assembly has signed a measure, the principal author shall be the one whose name appears first in the list of authors.
7. Substitutes and amendments shall be provided to the Chairman at least twenty-four (24) hours prior to the hearing. The Chairman reserves the right to delay action on any substitute or amendment not provided in advance.
8. Precedence of motions shall be as set out in Senate Rule 2-5.3.
9. Any member or members of the Committee who disagree with the majority Committee report shall have the privilege of filing a minority report. The minority report must state succinctly the reasons for the dissent.
10. Where the Committee Rules are silent on a specific issue, the Rules of the Senate shall apply.

**SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
FEBRUARY 2, 2016**

The Senate Committee on Banking and Financial Institutions held a meeting on Tuesday, February 2, 2016, at 3:00 p.m., in Room 310 of the Coverdell Legislative Office Building (CLOB). Members present were as follows:

Sen. Burt Jones (25th), Chairman
Sen. Jesse Stone (23rd), Vice-Chairman
Sen. Butch Miller (49th), Secretary
Sen. Marty Harbin (16th)
Sen. Ed Harbison (15th)
Sen. Emanuel Jones (10th)
Sen. John Kennedy (18th)
Sen. Michael “Doc” Rhett (33rd)
Sen. David Shafer (48th), Ex-Officio

NOTE: Sen. Bruce Thompson (14th) was absent.

Chairman Jones (25th) called the meeting to order at 3:06 p.m., asking Sen. Miller (49th) to open with prayer.

SB 283 (Sen. John Kennedy, 18th) Accounting for Public Funds; provide multibank pooling of depositories for acceptance of deposits of public funds from public bodies

The Chairman confirmed the LC number as LC 39 1141ER for SB 283, and recognized Sen. Kennedy (18th) to address the committee substitute being offered to the bill.

Sen. Kennedy (18th) explained that under current law, banks accept deposits from schools, county governments, and municipalities with two ways to collateralize the funds: (1) a direct pledge or (2) bank level pledging pool where the state oversees the deposits. The problem this creates is that there are substantially more deposits to insure than the banks are able to collateralize without resulting in it being economically unbeneficial for banks to accept deposits.

Chairman Jones asked if there were further questions from the Committee, and recognized Sen. Jones (10th) and Sen. Shafer (48th) for a series of questions.

Chairman Jones recognized Joe Brannen, President and CEO of Georgia Bankers Association, and Kevin Hagler, Commissioner of the Georgia Department of Banking, to speak in favor of the bill and answer questions from the Committee.

Chairman Jones thanked Mr. Brannen and Mr. Hagler for addressing the Committee and explaining the complexities of the bill and Georgia’s banking structure.

Sen. Miller (49th) made a motion **Do Pass by Substitute**. Sen. Emanuel Jones (10th) seconded the motion. The motion passed by unanimous vote of 8-0.

SB 283 DO PASS BY SUBSTITUTE LC 39 1192ERS

There being no further business, the meeting was adjourned at 3:50 p.m.

Respectfully submitted,

/s/ Sen. Butch Miller (49th), Secretary

/s/ C. Denese Sampson, Recording Secretary

**SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
FEBRUARY 9, 2016**

The Senate Committee on Banking and Financial Institutions held a meeting on Tuesday, February 9, 2016, at 3:00 p.m., in Room 310 of the Coverdell Legislative Office Building (CLOB). Members present were as follows:

Sen. Burt Jones (25th), Chairman
Sen. Jesse Stone (23rd), Vice-Chairman
Sen. Butch Miller (49th), Secretary
Sen. Ed Harbison (15th)
Sen. John Kennedy (18th)
Sen. Michael “Doc” Rhett (33rd)
Sen. Bruce Thompson (14th)
Sen. David Shafer (48th), Ex-Officio

NOTE: Sen. Marty Harbin (16th) and Sen. Emanuel Jones (10th) were absent.

Chairman Jones called the meeting to order at 3:06 p.m., asking Sen. Thompson (14th) to open with prayer.

[SB 282](#) (Sen. Jesse Stone, 23rd) 'Georgia Firearms Industry Nondiscrimination Act'

The Chairman recognized Sen. Jesse Stone (23rd) to address the Committee, who explained that the bill deals with the firearms industry in Georgia. Trade industry gun dealers and manufacturers are directly impacted with this bill, and over a billion dollars a year in revenues are generated from this industry. Sen. Stone stated that consumers' right to bear arms also has some impact with this bill. A House of Representatives oversight committee revealed a problem with putting financial pressure on businesses engaged in the sale and manufacture of firearms and ammunition products, through a federal program called “Operation Choke Point.”

Operation Choke Point is an initiative of the United States Department of Justice that was announced in 2013, which is investigating banks in the United States and the business they do with payment processors, payday lenders, and other companies believed to be at higher risk for fraud and money laundering.

Sen. Stone (23rd) expressed his belief that Operation Choke Point was operated under illegal policies and discriminatory practices against legitimate businesses, and this bill prohibits causing discrimination against businesses or individual persons based solely on their engagement in the firearms business.

Sen. Stone (23rd) stated that the bill gives businesses receiving pressure from Operation Choke Point something to respond to regulators, and would make such an act illegal in Georgia. He further stated that the bill is based on surveys of trade groups, with half of its members having been discriminated against in opening accounts or obtaining

merchant/credit card services, and obtaining credit to build on product lines. The problems faced by these businesses are well documented, although initially denied by such federal agencies as the FDIC.

Sen. Stone (23rd) expressed his belief that this bill would allow Georgia to make a strong statement that we will not participate in choking off major industries by the federal government.

Sen. Stone (23rd) invited three individuals to join him to speak in favor of the bill: Mr. Raymon White, of Commonwealth Group Partners, LLC (Atlanta, Georgia) and trade association member; Mike Holland, Managing Partner of Center Mass Tactical, LLC (Cumming, Georgia); and Andrew Clyde, Owner/CEO of Clyde Armory (Athens, Georgia).

Chairman Jones thanked Sen. Stone (23rd) and asked Committee members if there were any questions. There were none, and he proceeded to recognizing Raymon White to address the committee. Mr. White briefly expressed his support of the bill, and thanked Sen. Stone (23rd) for his sponsorship.

Mr. White deferred to Mike Holland, who spoke of the discriminatory treatment his business and many like his have faced in gaining banking services. He commented that gun retailers were listed as high risk businesses for banks to engage in business with, and thoroughly detailed his inability to find funding to further grow his business.

Mr. Holland deferred to Andrew Clyde, who stated that he started his business in 1991, and has two retail locations in Athens and Warner Robins. Mr. Clyde stated that in 2011 he received a letter from his bank informing him that his business no longer met their guidelines for continued banking services, and that his company was determined to be high risk because of the practice of selling firearms. Mr. Clyde concluded his remarks by stating that no other store/business gathers as much information about consumers buying their products than firearms dealers, and his company has had no problems with fraudulent practices, activities or transactions.

Chairman Jones (25th) asked if there were questions from the Committee, and Mr. White, Mr. Holland, and Mr. Clyde continued to answer a series of questions from Sen. Shafer (48th), Sen. Miller (49th), Sen. Harbison (15th), and the Chairman himself.

Chairman Jones (25th) recognized Elizabeth Chandler, Senior Vice President of Government Relations for Georgia Bankers Association (GBA), to speak in opposition to the bill. Ms. Chandler began her comments in response to the discussion of Operation Choke Point, stating that the initiative had a heightened focus on identifying money laundering and fraudulent activities within certain businesses, and banks should be able to continue to decide if certain business relationships are worth keeping. She further stated that this bill would create serious inequity for banks in Georgia, and submits that Operation Choke Point has operated well from her viewpoint. Ms. Chandler concluded

with her opposition to any state legislation that interferes with banks conducting sound business practices.

Chairman Jones (25th) thanked Ms. Chandler for addressing the Committee and asked if there were any questions. There were none.

Chairman Jones (25th) recognized Brandee Bickle, Director of Governmental Affairs for Georgia Credit Union Affiliates, to speak in opposition to the bill. Ms. Bickle stated that, from the industry's perspective, credit unions are not against the spirit of the bill and understand the concerns addressed, but are opposed to the bill from a practicality standpoint, specifically how it could be applied to credit unions in Georgia. She further stated that the bill creates concerns with matching state charters with federal regulations, and will create disproportionate compliance problems. Ms. Bickle explained that what's unique to credit unions is their inability to serve every consumer looking for business, and this bill opens up potential litigation from persons who would originally not be considered eligible for service.

Chairman Jones (25th) thanked Ms. Bickle for addressing the Committee, and recognized Rob Braswell, President and CEO of Community Bankers Association, and Steve Rigdon, Director of Legislative and Regulatory Affairs for Community Bankers Association, to speak in opposition to the bill.

Mr. Braswell opened his remarks by stating that "two wrongs do not make a right," and this bill is an example of that catch phrase. He continued by stating that there exists great concern from an unscientific poll of bankers at a recent event, and outlined regulatory and legal concerns of the bill.

Mr. Braswell deferred to Steve Rigdon, who stated that as of January 9, 2015, Operation Choke Point was no longer in effect and issued directives to bank examiners to that effect. He stated that the bill puts Georgia's financial industries as a whole in despair if passed, and that 174 state chartered banks would be subject to this law. He further stated that banks empathize with the difficulties businesses have experienced; however those difficulties are similar to those experienced in other industries.

Mr. Rigdon concluded his statements by pointing out that, from a legal standpoint, this proposal does not fit within any anti-discrimination laws, and creates a slippery slope by forcing banks to operate with businesses based on the characteristics of the business, and questioned what industry's business would be next.

NOTE: Sen. Rhett (33rd) left the meeting at 3:58 p.m.

To close out discussion, Chairman Jones (25th) recognized Sen. Stone (23rd), who expressed his belief that the bill would not spur potential litigation, and his belief that the bill would send the message that Georgia would not allow the federal government to violate laws against legitimate businesses. Sen. Stone (23rd) expressed his appreciation of the Chairman's willingness to hear witnesses and discussion, and stated that although

the Committee may not have more time for deliberation, he would be prepared to move forward whenever the Chairman was ready to entertain action on the bill. Chairman Jones (25th) thanked participants for their time and patience, and asked for a motion.

Sen. Miller (49th) made a motion **Do Pass by Substitute**. Sen. Shafer (48th) seconded the motion. The motion passed by a vote of 4-2, with Sen. Miller (49th), Sen. Shafer (48th), Sen. Stone (23rd) and Sen. Kennedy (18th) voting yea, and with Sen. Harbison (15th) and Sen. Thompson (14th) voting nay.

SB 282 DO PASS BY SUBSTITUTE LC 28 7918ERS

There being no further business, the meeting was adjourned at 4:11 p.m.

Respectfully submitted,

/s/ Sen. Butch Miller (49th), Secretary

/s/ C. Denese Sampson, Recording Secretary

SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
FEBRUARY 23, 2016

The Senate Committee on Banking and Financial Institutions held a meeting on Tuesday, February 23, 2016, at 3:00 p.m., in Room 310 of the Coverdell Legislative Office Building (CLOB). Members present were as follows:

Sen. Burt Jones (25th), Chairman
Sen. Jesse Stone (23rd), Vice-Chairman
Sen. Marty Harbin (16th)
Sen. John Kennedy (18th)
Sen. Michael “Doc” Rhett (33rd)
Sen. Bruce Thompson (14th)

NOTE: Sen. Butch Miller (49th), Secretary, Sen. Ed Harbison (15th), Sen. Emanuel Jones (10th), and Sen. David Shafer (48th), Ex-Officio, were absent.

Chairman Jones called the meeting to order at 3:17 p.m., asking Sen. Kennedy (18th) to open with a prayer.

[HB 811](#) (Bruce Williamson, 115th) Banking and finance; update, modernize, and streamline numerous Code sections; revise provisions

Chairman Jones (25th) thanked Committee members for helping make quorum. The Chairman described HB 811 as an annual Department of Banking bill, and recognized Rep. Williamson (115th) to address the Committee.

Rep. Williamson (115th) stated that six years ago, the economic outlook for bankers was pretty gloomy in Atlanta, but now better times for banking are back in Georgia. To protect and grow financial institutions in Georgia, this bill is another attempt to move the ball forward for banking in Georgia. HB 811 is a house-cleaning bill for the Georgia Department of Banking. Today, modern business services include bit-coin transactions, which is the major highlight of the bill.

Rep. Williamson (115th) stated that HB 811 would eliminate regulatory authority over these national institutions expanding in Georgia, and clean up the language for clarification, and stated that Atlanta is the hub in processing credit card transactions.

Rep. Williamson (115th) further explained that the bill defines the new concept of virtual currency, and is not meant to constrain bit coin transactions, but to ensure that the citizens of Georgia’s funds are safe, and that there’s no free-flow of criminal activity. Because of it being a rather lengthy bill, he was happy to answer any questions from the Committee.

Chairman Jones (25th) stated that HB 811 was well vetted in the House of Representatives, passing by a vote of 161-1.

Chairman Jones (25th) recognized Sen. Thompson (14th), who asked if regulators were making it easier to do banking in Georgia. Rep. Williamson (115th) responded that Georgia has a strong banking commission, and the Georgia Department of Banking understands a lot more about banking and Georgia's business environment.

Chairman Jones (25th) recognized Sen. Harbin (16th), who asked if virtual currency were being recognized as acceptable currency with this bill. Rep. Williamson (115th) responded that the bill attempts to come up with a working definition of virtual currency, and that it is not recognized as legal tender.

Sen. Stone (23rd) made a motion **Do Pass**. Sen. Kennedy (18th) seconded the motion. The motion passed by a unanimous vote of 5-0. Sen. Kennedy (18th) will be the Senate sponsor.

HB 811 DO PASS

There being no further business, the meeting was adjourned at 3:27 p.m.

Respectfully submitted,

/s/ Sen. Burt Jones (25th), Chairman

/s/ C. Denese Sampson, Recording Secretary

**SENATE COMMITTEE ON BANKING AND FINANCIAL INSTITUTIONS
MARCH 8, 2016**

The Senate Committee on Banking and Financial Institutions held a meeting on Tuesday, March 8, 2016, at 3:00 p.m., in Room 310 of the Coverdell Legislative Office Building (CLOB). Members present were as follows:

Sen. Burt Jones (25th), Chairman
Sen. Butch Miller (49th), Secretary
Sen. Ed Harbison (15th)
Sen. John Kennedy (18th)
Sen. Michael “Doc” Rhett (33rd)

NOTE: Sen. Jesse Stone (23rd), Vice-Chairman, Sen. Marty Harbin (16th), Sen. Emanuel Jones (10th), Sen. David Shafer (48th), Ex-Officio, and Sen. Bruce Thompson (14th) were absent.

To achieve quorum, Sen. P. K. Martin (9th) was appointed to serve as an ex-officio member (see attached confirmation letter).

Chairman Jones (25th) called the meeting to order at 3:11 p.m.

HB 759 (Rep. Wendell Willard, 51st) Courts; financial institutions; certain activities shall not constitute the unauthorized practice of law; provide

Chairman Jones (25th) confirmed the LC number of HB 759 as LC 39 1100, and recognized Rep. Willard (51st) to address the Committee and explain the bill. Rep. Willard (51st) said that the bill was a simple proposition addressing the preparation of documents by financial institutions. The bill permits financial institutions to provide certain business-related advice to their customers without such advice being deemed the unauthorized practice of law.

NOTE: Sen. Harbin (16th) arrived at 3:12 p.m.

Chairman Jones (25th) asked if there were any questions from Committee members. There were none.

Sen. Harbison (15th) made a motion **Do Pass**. Sen. Miller (49th) seconded the motion. The motion passed by a unanimous vote of 6-0. Sen. Martin (9th) will be the Senate sponsor.

HB 759 DO PASS

There being no further business, the meeting was adjourned at 3:14 p.m.

Respectfully submitted,

/s/ Sen. Butch Miller (49th), Secretary

/s/ C. Denese Sampson, Recording Secretary



OFFICE OF LIEUTENANT GOVERNOR

240 STATE CAPITOL
ATLANTA, GEORGIA 30334

CASEY CAGLE
LIEUTENANT GOVERNOR

Mr. David Cook
Secretary of the Senate
353 State Capitol
Atlanta, GA 30334

Dear David,

In accordance with the Senate Rules, the Senate Committee on Assignments hereby appoints Senator P.K. Martin to serve as Ex-Officio for the Senate Banking and Financial Institutions Committee meeting on March 8, 2016. This appointment shall expire upon adjournment of the committee meeting.

Sincerely,

A handwritten signature in cursive script that reads "Casey Cagle".

Lt. Governor Casey Cagle
President of the Senate

CC/tes

Copy to:

Legislative Fiscal Officer
Committee Chair
Appointee

BURT JONES
District 25

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The State Senate
Atlanta, Georgia 30334

MAR 30 PM 3:32

COMMITTEES:

Banking and Financial Institutions, Chairman
Higher Education, Secretary
Insurance and Labor
Transportation

DEPUTY WHIP

March 30, 2016

Honorable David Cook
Secretary of the Senate
353 State Capitol
Atlanta, Georgia 30334

Secretary Cook,

Attached herewith are four (4) bills assigned to the Senate Committee on Banking and Financial Institutions that were not acted upon during the 2016 legislative session:

SB 371
SB 397
SB 398
SB 403

Respectfully submitted,

A handwritten signature in cursive script that reads "C. Denese Sampson".

C. Denese Sampson
Legislative Assistant