

May 2, 2023

Members of the Omnibus Commerce Conference Committee  
Minnesota Senate  
Minnesota House of Representatives  
100 Rev. Dr. Martin Luther King Jr. Blvd  
Saint Paul, MN 55155



Members of the Omnibus Commerce Conference Committee,

The Minnesota Bankers Association (MBA) appreciates the opportunity to provide comments on provisions of interest to Minnesota's financial institutions included in the Omnibus Commerce budget bills.

The MBA supports the provision included in both the House and Senate bills to allow state-chartered banks to operate branches on a part-time basis, allowing branches to be closed for up to 48 consecutive hours. We have heard from numerous members that this could prevent the closing of some rural branches that can't be staffed full-time.

We also support the repeal of the board of directors audit requirement, also included in both the House and Senate bills. This language would repeal an outdated statute and its associated rules requiring state-chartered banks to pay for an expensive board of directors audit covering areas that examiners already look into. Larger banks must still perform this audit under federal requirements. This change would help state-chartered community banks and provide parity with their national bank peers.

The MBA appreciates the bicameral, bipartisan support for these two common sense provisions that will assist our community banks and the Minnesotans they serve.

We must also express our opposition to the House provision in Article 3, sections 11 & 12 that requires banks and credit unions with assets greater than \$1 billion to complete a climate risk disclosure survey. We believe this unfairly singles out a small group of state-chartered financial institutions to provide unspecified information to the Department of Commerce.

Banks appreciate knowing the regulations they must follow and having sufficient time to prepare to comply. The language gives no details, or limitations, as to what the survey will entail or how burdensome it may be to complete. We do not know if compliance will take banks one hour, ten hours or hundreds of hours of staff time. We don't know if we can have someone internally collect this information or if we'll need to hire an external expert.

Every state-chartered bank also has a federal regulator. Those regulators are currently working on climate rules. While we recognize that climate change is a serious issue, we are asking for this survey to be voluntary or provide parity with nationally-chartered financial institutions of the same size. The legislature should not devalue the state charter by singling out a small group of community banks and credit unions.

The Minnesota Bankers Association is a trade association established in 1889 which represents approximately 300 member banks in Minnesota, from the largest to the very smallest. Thank you for considering our comments and for all of your work on Commerce issues this session.

Sincerely,  
Therese Kuvaas  
Senior Government Relations Manager