

# VIRGINIA BANKERS ASSOCIATION

## 2023 VIRGINIA GENERAL ASSEMBLY KEY PRIORITIES

### SUPPORT:

#### **Permissible Investments – Sen. Lewis & Del. O’Quinn**

Updates Virginia’s laws on the type of investments that state-chartered banks are permitted to make, providing parity with federally-chartered banks.

- Brings state chartered banks into parity with nationally chartered banks on several types of investments permitted under federal law or OCC regulation and guidelines.
- Provides clarity for permissible bank investments into Rural Business Investment Companies (RBIC), community-based economic development activities, and tax equity financing transactions.

#### **Bank Franchise Tax Modernization – Sen. Ruff and Del. Byron**

Implements process modernization to the bank franchise tax through efficiencies and streamlined use of technology. Also creates an option for large banks to further streamline the process while distributing their tax proceeds throughout all Virginia localities.

- Modernizes filing and remittance of the tax through electronic means and provides for a filing extension similar to other state business taxes.
- Creates an option for the banks with the largest Virginia deposits to centrally file with tax. Allocates local revenue component of the tax to localities based on population.

#### **Garnishment Process Revision – Sen. Petersen and Del. Leftwich**

Repeals special protections from garnishment applied to emergency federal economic stimulus payments during the pandemic.

- With the end of the Virginia declaration of a state of emergency and federal stimulus initiatives, the protection has served its original purpose.
- Sunsetting the protections brings needed clarity to financial institutions on what is a complex process to identify, monitor and execute.

### OPPOSE:

#### **Government Intervention in Bank Customer Decisions**

We anticipate legislation that would impose punitive government intervention into individual banks’ customer decision making. It would use political litmus tests on which customers banks serve in order to determine whether they would be eligible to provide government services such as holding public tax revenue deposits and investments or providing debt issuance services.

- Mandating that certain industries receive special access to banking services, or else banks will be punished by government, thwarts competition and undermines the free market.
- These requirements on governmental entities could lead to less comprehensive and more costly financial services, ultimately undermining public trust while costing the Commonwealth and its citizens more.

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