

TO: Sean Kealy  
FROM: Harrison Fregeau  
DATE: May 13, 2022  
RE: Legislative History for H. 4176

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I researched “An Act Relative to Banks and Banking” (H. 4176) (the “Act”). This passed both Houses of the Legislature and was signed by Governor Baker on February 14, 2020. The ultimate purpose of the bill was to merge two state run entities founded in the Great Depression which helped provide bank deposit insurance -- The Co-operative Central Bank and the Depositors Insurance Fund. I started by searching on malegislature.gov. There I was provided a general overview of the Act. I saw that it initially began as another bill (H 1049). That bill was referred to the committee on Financial Services on January 22 2019, and the Senate Concurred. A joint hearing on the bill was scheduled for June 6 2019 from 11:00AM – 3:00PM in room 222 in the statehouse. I could not find any information on that meeting using the statehouse website, and in fact, the Senate had a general session overlapping with that time. Thus, I understood for that portion, I would need to check MassTrac. I saw the bill was reported favorably by committee and referred to the House Ways and Means on July 30, 2019. Unfortunately, I was never able to find information on that regard. From there, on November 6, 2019, the Committee recommended passing with an amendment. The bill had the same title but received a new bill number H4176. I initially struggled to determine what was different, but eventually found my answer on MassTrac.

On November 6, 2019, the new bill was ordered to a third reading, reported from the committee on Ways and Means and was passed to be engrossed. On November 12 it went over to

the committee on Senate Ways and Means. The Senate ultimately adopted it on December 16, and it went back to the House committee on December 19, 2019. The House and Senate, on February 5 and 6 respectively adopted the following emergency preamble The ultimate bill was presented with an emergency preamble stating “Whereas, The deferred operation of this act would tend to defeat its purpose, which is to further regulate banking, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.” From there it was enacted and laid before the Governor, who signed it into law on February 14 as Chapter 21 of the Acts of 2020. Searching elsewhere on malegislature.gov, it does not appear there were any video or audio of the steps the bill took. One thing that concerned me at the time, was whenever I checked to see what the roll call votes were, the legislature’s website came up with an error message.

From there, I checked LexisNexis to see if there was additional bill history. I found the portion included on the Massachusetts Legislature site to be comprehensive. Your advice in that regard was correct.

Thus, I ended up checking on MassTrac for more information. MassTrac noted the following people attended the joint hearing: State Senator James T. Welch (D), State Representative Daniel Cahill (D), State Representative James M. Murphy (D), State Representative Christine Barber (D), State Representative Thomas M. Stanley (D), State Representative F. Jay Barrows (R), State Representative Shawn Dooley (R), State Representative Michelle Ciccolo (D). Rep McMurdy (D) testified in support of the bill and noted the following “I had a local business because local banks believed in me. I am very passionate in seeing this bill to reality. We have funds federal and state funds that ensure our deposits are insured 100%, which is unique in the nation. I urge this bill to pass.” The bill at this meeting also received

testimony in support from Andrew J. Calamare and David Elliot. Calamare is the President & CEO of the Co-operative Central Bank, and Elliot is the CEO of the Depositors Insurance Fund. These are the two entities that were to be merged by the bill. Calamare supported it because his institutions are governed by the special acts of the legislature and he believed that community banks are stronger when corporative banks can merge. Elliot noted “consistent with consolidation in the industry, we believe combining these two funds will enhance the work of these two agencies.” Ultimately six groups lobbied on the bill. The Depositors Insurance Fund, Massachusetts Bankers Association, Massachusetts Credit Union Share Insurance Corporation, the Cooperative Central Bank, and the Massachusetts Town Clerks Association all lobbied in favor of the bill. Capital One was listed as having a neutral position on the bill.

MassTrac provided the key information for why the bill was amended, and resubmitted under the new bill number which I had been unable to find elsewhere. I quote the language used by MassTrac in full here; “(NOTE: Although redrafted, the bill remains substantially the same as HB1049 with one exception. A provision is added to allow for the distribution of DIF funds over the course of 12 months. A distribution timeline would otherwise likely have been specified in the merger agreement.)” Unsurprisingly, given the narrow change to the bill, no substantial change in lobbying or support occurred with the new bill.

From there, I went to State House News. I found three pieces of information to be helpful. The bill was covered three times, on November 6, 2019, on February 6, 2020, and on February 9, 2020. The November 6, 2019, version of the House Session Summary noted that the H 4176 was substituted for H 1049 and ordered it to a third treading. The February 6, 2020, Senate Session Summary flatly stated that “[t]he Senate enacted H 4176 relative to banks and banking.” The Advance for the Week of February 9, 2020, was the least brief. It noted that the

two institutions would merge, and provided helpful language for the context of the bills movement through the legislature. “The bill has quietly moved through the Legislature without debate...” This gave me additional reassurance, that I was not missing anything further in the coverage – particularly the fact that I had not found a roll call vote.

Unsurprisingly, given the rather mundane, non-controversial, and technical nature of merging two complementary state-run deposit insurance organizations, with no active lobbying against the bill, there was no outside news coverage of the passing from what I could find.

Each of the bill versions predating this one discussed above are uploaded to the Google Drive along with H. 4176 itself. I was ultimately unable to find any executive action documents, as the Governor appears to have simply signed the bill into law without issuing a veto or a signing statement.