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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2062**

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to poverty; establishing the Ladder Out of Poverty Task Force; providing
1.3 for its membership and duties; providing legislative appointments.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **LADDER OUT OF POVERTY TASK FORCE.**

1.6 Subdivision 1. **Legislative findings.** The legislature finds that, for poor or near-poor
1.7 Minnesotans who are struggling economically, a key to escaping poverty is building and
1.8 maintaining wealth and assets.

1.9 The legislature also finds that the final report of the Commission to End Poverty
1.10 by 2020 sets forth the following strategies regarding the building and maintaining of
1.11 wealth and assets:

1.12 (1) establish public policies to encourage Minnesotans to accumulate and maintain
1.13 assets;

1.14 (2) ban predatory financial practices that erode or deplete existing assets; and

1.15 (3) increase financial literacy to reduce vulnerability to predatory practices and
1.16 enhance the ability to acquire assets and achieve and maintain self-sufficiency.

1.17 The legislature also finds that the Commission to End Poverty by 2020 recommends,
1.18 among the immediate steps that can be taken, that the legislature respond rigorously to
1.19 predatory market practices that drive up the prices of goods in some communities and
1.20 crowd out sustainable practices of legitimate businesses.

1.21 The legislature also finds that women, especially older women, are among the poorest
1.22 of Minnesotans, are particularly vulnerable to predatory lenders and have accounted for a
1.23 larger share of subprime loans, and are particularly vulnerable to financial hardship.

2.1 The legislature also finds that achieving the goal of ending poverty will require
2.2 strong collaboration and coordination among the public, private, nonprofit, academic,
2.3 and philanthropic sectors.

2.4 Subd. 2. **Task force establishment; duties.** (a) The Ladder Out of Poverty Task
2.5 Force is established to assist the legislature to identify specific actions and policies to
2.6 assist Minnesotans to escape or avoid poverty through the accumulation and maintenance
2.7 of assets. By January 15, 2010, the task force shall provide recommendations to the
2.8 chairs of the senate Commerce and Consumer Protection Committee, the house of
2.9 representatives Labor and Consumer Protection Division and the house of representatives
2.10 Commerce and Labor Committee.

2.11 (b) At a minimum, the task force must identify specific policies, strategies, and
2.12 actions to:

2.13 (1) increase opportunities for low-income families to create and build wealth;

2.14 (2) expand the utilization of Family Assets for Independence in Minnesota (FAIM)
2.15 or other culturally specific individual development account programs;

2.16 (3) reduce or eliminate predatory financial practices in Minnesota through regulatory
2.17 actions, legislative enactments, and the development and statewide availability of
2.18 alternative, nonpredatory financial products;

2.19 (4) provide incentives or assistance to private sector financial institutions to
2.20 offer additional programs and services that provide alternatives to and education about
2.21 predatory financial products; and

2.22 (5) provide financial literacy information to low-income families and individuals
2.23 at the moment the recipient has the ability, opportunity, and motivation to receive,
2.24 understand, and act on the information provided.

2.25 Subd. 3. **Membership.** The task force must consist of, at a minimum, the following
2.26 members:

2.27 (1) at least one member each of the majority and minority parties in the senate
2.28 appointed by the Subcommittee on Committees of the Committee on Rules and
2.29 Administration;

2.30 (2) at least one member each of the majority and minority parties in the house of
2.31 representatives appointed by the speaker of the house;

2.32 (3) a representative of the Minnesota Department of Commerce;

2.33 (4) a representative of the Minnesota Office of the Attorney General;

2.34 (5) a representative of Minnesota credit unions;

2.35 (6) a representative of an organization representing independent Minnesota
2.36 community banks;

- 3.1 (7) at least one representative of an organization representing state and federal
3.2 financial institutions;
- 3.3 (8) at least one representative of an organization representing community action
3.4 agencies;
- 3.5 (9) at least one representative of a faith-based financial counseling agency;
- 3.6 (10) at least two representatives of faith-based social justice organizations;
- 3.7 (11) a representative of a legal services organization representing low-income
3.8 persons;
- 3.9 (12) a representative from a nonprofit organization providing free tax preparation
3.10 services as part of the volunteer income tax assistance program;
- 3.11 (13) a member of the University of Minnesota faculty who is involved with personal
3.12 and family financial education;
- 3.13 (14) a member of a philanthropic organization that has as one of its missions
3.14 combating predatory lending;
- 3.15 (15) a representative of an organization representing older Minnesotans; and
- 3.16 (16) one representative each of an organization representing the interests of women,
3.17 Latinos and Latinas, African-Americans, Asian-Americans, American Indians, and
3.18 immigrants.
- 3.19 Subd. 4. **Task force administrative provisions.** (a) By August 15, 2009, the
3.20 director of the Legislative Coordinating Commission must convene the initial meeting
3.21 of the task force. The members of the task force must elect a chair or co-chairs at the
3.22 initial meeting.
- 3.23 (b) Public members of the task force serve without compensation or payment of
3.24 expenses.
- 3.25 (c) The task force may accept gifts and grants, which are accepted on behalf of
3.26 the state and constitute donations to the state. Funds received under this paragraph are
3.27 to be used for purposes of the task force.
- 3.28 (d) The task force expires June 1, 2010.