Overview

School banks are student-operated banks located in high schools. They are used for experiential educational purposes in conjunction with banking classes taught in the school. Their customers are limited to students and employees of the school. These banks cash checks, provide savings accounts, and make small loans. They are advised by one or more local financial institutions on an ongoing basis, but are not branches, or otherwise affiliated with, any financial institution.

School banks need legislation to operate, because otherwise they would be violating laws that prohibit engaging in banking without a bank charter and without full compliance with all banking laws. Currently two school districts, Bemidji and St. Peter, are permitted to have school banks under state law.

This bill adds authority for a school bank in the Greenway-Coleraine school district. It also eliminates the sunset on the authority for existing school banks, which would otherwise end on June 30, 2000.

1 School bank pilot project. Permits a school bank in the Greenway-Coleraine school district. Makes authority to operate school banks permanent for the authorized school districts by eliminating sunset. Eliminates obsolete language regarding a study, which has been completed.

2 Effective date. Immediate effective date.