

# House Bill 4139

Sponsored by Representative DOHERTY; Representatives BAILEY, BARNHART, BUCKLEY, DEMBROW, FREDERICK, HUNT, KOTEK, WITT (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs public officials to deposit public funds in certain community banks. Directs public officials, to extent practicable, to transfer deposited public funds to community banks not later than January 1, 2014.

Directs State Treasurer to study feasibility of increasing investment of state moneys in community banks and to file report with Legislative Assembly not later than date of convening of 2013 regular session of Legislative Assembly.

## A BILL FOR AN ACT

1  
2 Relating to depositories of public funds.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2012 Act is added to and made a part of ORS 295.001 to**  
5 **295.108.**

6 **SECTION 2. (1) A public official shall deposit public funds with a community bank if:**

7 **(a) The community bank is a depository that complies with ORS 295.008; and**

8 **(b) The cost to the public official for the community bank to provide banking services,**  
9 **when multiplied by a factor of 0.9, is lower than the cost for a depository that is not a**  
10 **community bank to provide the same banking services.**

11 **(2) As used in this section, "community bank" means:**

12 **(a) An insured institution that is organized under the provisions of ORS chapter 707 and**  
13 **has its principal place of business in this state;**

14 **(b) A credit union, as defined in ORS 723.006, that has its principal place of business in**  
15 **this state; or**

16 **(c) An interstate credit union, as defined in ORS 723.001, that is chartered under ORS**  
17 **chapter 723 and has its principal place of business in this state.**

18 **SECTION 3. To the extent practicable, not later than January 1, 2014, a public official**  
19 **that has deposited public funds in a depository qualified under ORS 295.001 to 295.108 shall**  
20 **transfer the public funds to a community bank, as defined in section 2 of this 2012 Act, in**  
21 **accordance with section 2 of this 2012 Act.**

22 **SECTION 4. (1) The State Treasurer, in consultation with the Oregon Investment Coun-**  
23 **cil, shall:**

24 **(a) Study the feasibility of increasing state investment in certificates of deposit at com-**  
25 **munity banks for the purpose of promoting community investment in this state by commu-**  
26 **nity banks; and**

27 **(b) Identify the portion of moneys in the State Treasury that are not needed to meet**  
28 **short-term liquidity needs and propose an investment program for the remaining moneys**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 that is aimed at increasing community bank lending to persons in this state.

2 (2) In complying with subsection (1) of this section, the State Treasurer shall balance  
3 investment priorities, in a manner consistent with fiduciary standards, including the pro-  
4 visions of ORS 293.721 and 293.726, with the need for an investment program that provides  
5 community banks with additional reserves to lend to persons in this state.

6 (3) The State Treasurer shall submit a report, and may include recommendations for  
7 legislation, to the Legislative Assembly no later than the date of the convening of the regular  
8 session of the 2013 Legislative Assembly as specified in ORS 171.010. The report shall be made  
9 in the manner prescribed by ORS 192.245.

10 (4) As used in this section, "community bank" means:

11 (a) An insured institution that is organized under the provisions of ORS chapter 707 and  
12 has its principal place of business in this state;

13 (b) A credit union, as defined in ORS 723.006, that has its principal place of business in  
14 this state; or

15 (c) An interstate credit union, as defined in ORS 723.001, that is chartered under ORS  
16 chapter 723 and has its principal place of business in this state.

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