

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Ways and Means

**Vote:** 10 - 0 - 0

**Yeas:** Barton, Cowan, Gilliam, Krieger, Matthews, Riley, Tomei, Weidner, Wingard, Holvey

**Nays:** 0

**Exc.:** 0

**Prepared By:** Victoria Cox, Administrator

**Meeting Dates:** 2/2, 3/25, 4/24, 4/27

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**WHAT THE MEASURE DOES:** Eliminates 30-day posting requirement for consumer finance license applications. Removes requirement that Department of Consumer and Business Services (DCBS) set fees for banks and trusts, credit unions, and consumer finance in a single annual rulemaking process. Repeals regulations governing savings associations which no longer apply to institutions operating in Oregon. Authorizes DCBS to share information with federal agencies that regulate financial institutions. Moves date on which DCBS issues calculated discount rate from the first business day of each calendar year to the second Friday in December. Broadens DCBS authority to ensure that financial institutions comply with federal regulations. Declares emergency; effective on passage.

**ISSUES DISCUSSED:**

- State chartered versus federally chartered financial institutions
- Removal of outdated regulations
- Segmentation of rulemaking process
- Timing of annual discount rate announcement
- Lack of state regulation of bank holding companies
- Other states that regulate bank holding companies

**EFFECT OF COMMITTEE AMENDMENT:** Directs DCBS to share information with the Financial Crimes Enforcement Network established by the United States Treasury. Changes reference rate used to calculate discount rate. Removes authorization for DCBS to oversee financial holding companies and bank holding companies. Broadens DCBS authority to ensure that financial institutions comply with federal regulations.

**BACKGROUND:** The Department of Consumer and Business Services requested the introduction of HB 2199 to address numerous issues related to its regulation of financial institutions. While regulated institutions agreed with most of the proposed changes, consensus was not achieved on the oversight of bank holding companies and those provisions were removed. The amended bill enjoys broad support among stakeholders.