

SENATE AMENDMENTS TO SENATE BILL 62

By COMMITTEE ON FINANCE AND REVENUE

May 13

1 On page 1 of the printed bill, line 3, after “286A.025,” insert “286A.560,”.

2 In line 6, after “295.001,” insert “295.004, 295.006, 295.008, 295.013, 295.015, 295.018, 295.031,
3 295.034, 295.037, 295.041, 295.046, 295.048, 295.053, 295.061, 295.073,”.

4 In line 8, after “293.822” delete the rest of the line and line 9 and insert “, 293.824 and 295.087;
5 and declaring an emergency.”.

6 On page 5, line 4, after the period delete the rest of the line and line 5.

7 On page 8, line 44, delete the comma.

8 On page 9, line 12, delete “a”.

9 In line 13, delete “state agency” and insert “the State Treasury, the Secretary of State, the Ju-
10 dicial Department, the Legislative Assembly, the Public Defense Services Commission and state
11 agencies”.

12 On page 10, line 16, after “Government” insert “and obligations whose payment is guaranteed
13 by the United States, the agencies and instrumentalities of the United States or enterprises spon-
14 sored by the United States Government”.

15 On page 13, after line 44, insert:

16 **“SECTION 28a. Section 28b of this 2009 Act is added to and made a part of ORS 294.805
17 to 294.895.**

18 **“SECTION 28b. In addition to funds that may be invested as provided in ORS 294.810, a
19 local government official, with the consent of the State Treasurer, may invest moneys in
20 commingled investment vehicles described in section 3 of this 2009 Act. The placement of
21 funds under this section must comply with a written investment policy adopted under ORS
22 294.135 (1)(a).”.**

23 On page 34, delete lines 23 through 45 and delete pages 35 and 36.

24 On page 37, delete lines 1 through 5 and insert:

25 **“SECTION 62. ORS 295.001 is amended to read:**

26 “295.001. As used in ORS 295.001 to 295.108, unless the context requires otherwise:

27 “(1) ‘Adequately capitalized’ means a bank depository that is classified as adequately capitalized
28 by its primary federal regulatory authority.

29 “(2) ‘Bank depository’ means an insured institution or trust company that:

30 “(a) Maintains a head office or branch in this state in the capacity of an insured institution or
31 trust company; and

32 “(b) Complies with ORS 295.008.

33 “(3) ‘Business day’ means any day other than a federal or State of Oregon legal holiday or a day
34 on which offices of the State of Oregon are otherwise authorized by law to remain closed.

35 **“(4) ‘Closed depository’ means a bank depository that is subject to a loss.**

1 “[4] (5) ‘Credit union depository’ means a credit union as defined in ORS 723.006 or a federal
2 credit union if:

3 “(a) The shares and deposits of the credit union or federal credit union are insured by the Na-
4 tional Credit Union Share Insurance Fund; and

5 “(b) The credit union or federal credit union maintains a head office or branch in this state in
6 the capacity of a credit union or federal credit union.

7 “[5] (6) ‘Custodian bank’ or ‘custodian’ means one of the following institutions designated by
8 the bank depository for its own account:

9 “(a) The Federal Home Loan Bank designated to serve this state, or any branch of that bank;
10 or

11 “(b) Any insured institution or trust company that:

12 “(A) Is authorized to accept deposits or transact trust business in this state;

13 “(B) Complies with ORS 295.008; and

14 “(C) Has been approved by the State Treasurer to serve as a custodian bank, if the State
15 Treasurer has approved custodians under ORS 295.008.

16 “[6] (7) ‘Custodian’s receipt’ or ‘receipt’ means a document issued by a custodian bank de-
17 scribing the securities deposited with it by a bank depository to secure public fund deposits.

18 “[7] (8) ‘Depository’ means a bank depository or a credit union depository.

19 “[8] (9) ‘Financial institution outside this state’ means a financial institution, as defined in ORS
20 706.008, that is not an extranational institution, as defined in ORS 706.008, and is not a bank de-
21 pository or credit union depository, as defined in this section.

22 “[9] (10) ‘Insured institution’ means an insured institution as defined in ORS 706.008.

23 “[10] (11) ‘Loss’ means the issuance of an order by a regulatory or supervisory authority or a
24 court of competent jurisdiction:

25 “(a) Restraining a bank depository from making payments of deposit liabilities; or

26 “(b) Appointing a receiver for a [public] depository.

27 “(12) ‘Maximum liability’ means a sum equal to 10 percent of the greater of:

28 “(a) All uninsured public funds deposits held by the bank depository as shown on the date
29 of its most recent treasurer report; or

30 “(b) The average of the balances of uninsured public funds deposits on the last two im-
31 mediately preceding treasurer reports.

32 “[11] (13) [*Maximum liability*] of ‘Minimum collateral requirement’ for a bank depository
33 on any given date means a sum equal to:

34 “(a) For a well capitalized bank depository **that has not been required to increase its**
35 **collateral pursuant to ORS 295.018**, 10 percent of the greater of:

36 “(A) All **uninsured** public funds held by the bank depository, as shown on the most recent
37 treasurer report;

38 “(B) The average of the balances of **uninsured** public funds held by the bank depository, as
39 shown on the last [four] **two** immediately preceding treasurer reports; or

40 “(C) An amount otherwise prescribed in ORS 295.001 to 295.108.

41 “(b) For [*an adequately capitalized bank depository, 25 percent of the greater of*] **a well capital-**
42 **ized bank depository that has been required to increase its collateral pursuant to ORS**
43 **295.018, the percentage required by the State Treasurer pursuant to ORS 295.018 multiplied**
44 **by the greater of:**

45 “(A) All **uninsured** public funds held by the bank depository, as shown on the most recent

1 treasurer report;

2 “(B) The average of the balances of **uninsured** public funds held by the bank depository, as

3 shown on the last *[four]* **two** immediately preceding treasurer reports; or

4 “(C) An amount otherwise prescribed in ORS 295.001 to 295.108.

5 “(c) For an **adequately capitalized bank depository or an** undercapitalized bank depository,

6 110 percent of the greater of:

7 “(A) All **uninsured** public funds held by the bank depository; or

8 “(B) The average of the balances of **uninsured** public funds held by the bank depository, as

9 shown on the last *[four]* **two** immediately preceding treasurer reports.

10 “[*(12)*] **(14)** ‘Net worth’ of a bank depository means[:]

11 “[*(a)*] the *[equity]* **total risk-based** capital of the bank depository, as shown on the immediately

12 preceding report of condition and income, and may include capital notes and debentures that are

13 subordinate to the interests of depositors[; *or*]

14 “[*(b)*] *An amount of equity capital designated by the State Treasurer*].

15 “[*(13)*] **(15)** ‘Pledge agreement’ means a written agreement among an insured institution or trust

16 company, the State Treasurer and a custodian that pledges the securities deposited by the insured

17 institution or trust company with the custodian as collateral for deposits of **uninsured** public funds

18 held by the insured institution or trust company. The agreement must be approved by the board of

19 directors or loan committee of the insured institution or trust company and must be continuously

20 maintained as a written record of the insured institution or trust company.

21 “[*(14)*] **(16)** ‘Public funds’ or ‘funds’ means funds under the control or in the custody of a public

22 official by virtue of office.

23 “[*(15)*] **(17)** ‘Public official’ means each officer or employee of this state or any agency, political

24 subdivision or public or municipal corporation thereof, or any housing authority, who by law is made

25 the custodian of or has control of any public funds.

26 “[*(16)*] **(18)** ‘Report of condition and income’ means the quarterly report submitted to a bank

27 depository’s primary federal regulatory authority.

28 “[*(17)*] **(19)** ‘Security’ or ‘securities’ means:

29 “(a) Obligations of the United States, including those of its agencies and instrumentalities and

30 of government sponsored enterprises;

31 “(b) Obligations of the International Bank for Reconstruction and Development;

32 “(c) Bonds of any state of the United States:

33 “(A) That are rated in one of the four highest grades by a recognized investment service or-

34 ganization that has been engaged regularly and continuously for a period of not less than 10 years

35 in rating state and municipal bonds; or

36 “(B) Having once been so rated are ruled to be eligible securities for the purposes of ORS

37 295.001 to 295.108, notwithstanding the loss of such rating;

38 “(d) Bonds of any county, city, school district, port district or other public body in the United

39 States payable from or secured by ad valorem taxes and that meet the rating requirement or are

40 ruled to be eligible securities as provided in paragraph (c) of this subsection;

41 “(e) Bonds of any county, city, school district, port district or other public body issued pursuant

42 to the Constitution or statutes of the State of Oregon or the charter or ordinances of any county

43 or city within the State of Oregon, if the *[issuing body has not been in default with respect to the*

44 *payment of principal or interest on any of its bonds within the preceding 10 years or during the period*

45 *of its existence if that is less than 10 years]* **bonds have a long-term rating of AA or better;**

1 “(f) With the permission of the State Treasurer and in accordance with rules adopted by the
2 State Treasurer, loans made to any county, city, school district, port district or other public body
3 in the State of Oregon, if the borrower has not been in default with respect to the payment of
4 principal or interest on any of its loans within the preceding 10 years or during the period of its
5 existence if that is less than 10 years;

6 “(g) With the permission of the State Treasurer and in accordance with rules adopted by the
7 State Treasurer, bond anticipation notes issued, sold or assumed by an authority under ORS 441.560;

8 “(h) Bonds, notes, letters of credit or other securities or evidence of indebtedness constituting
9 the direct and general obligation of a federal home loan bank or Federal Reserve bank;

10 “(i) Debt obligations of domestic corporations that are rated in one of the three highest grades
11 by a recognized investment service organization that has been engaged regularly and continuously
12 for a period of not less than 10 years in rating corporate debt obligations; and

13 “(j) Collateralized mortgage obligations and real estate mortgage investment conduits that are
14 rated in one of the two highest grades by a recognized investment service organization that has been
15 engaged regularly and continuously for a period of not less than 10 years in rating corporate debt
16 obligations.

17 “[18] (20) ‘Treasurer report’ means a written report signed or authenticated by an officer of a
18 bank depository **that has in its possession uninsured public funds deposits** setting forth as of
19 the close of business on a specified date:

20 “(a) The total amount of **uninsured** public funds on deposit with the bank depository;

21 “(b) **The total amount of public funds on deposit with the bank depository;**

22 “[b] (c) The net worth of the bank depository;

23 “[c] (d) The amount and nature of eligible collateral then on deposit with its custodian to
24 collateralize the bank depository’s public funds deposits; and

25 “[d] (e) The identity of its custodian.

26 “[19] (21) ‘Treasurer report due date’ means a date not less than 10 business days after the
27 date a bank depository’s report of condition and income is due to be submitted [*to its federal regu-*
28 *latory authority*].

29 “[20] (22) ‘Trust company’ means a trust company as defined in ORS 706.008.

30 “[21] (23) ‘Undercapitalized’ means a bank depository that is classified as undercapitalized,
31 **significantly undercapitalized or critically undercapitalized** by its primary federal regulatory
32 authority.

33 “(24) **‘Uninsured public funds’ or ‘uninsured public funds deposits’ means public funds**
34 **deposited in a bank depository that exceed the amounts insured or guaranteed as described**
35 **in ORS 295.002 (1)(a) and (b) and does not include public funds deposited in a certificate of**
36 **deposit or time deposit under ORS 295.004.**

37 “[22] (25) ‘Value’ means the current market value of securities.

38 “[23] (26) ‘Well capitalized’ means a bank depository that is classified as well capitalized by
39 its primary federal regulatory authority.

40 “**SECTION 63.** ORS 295.004 is amended to read:

41 “295.004. (1) A public official may deposit public funds in a bank depository in an amount in
42 excess of the amount allowed in ORS 295.002 without requiring the bank depository to show that it
43 has entered into [*the agreement described in ORS 295.008 (2)(b)*] **a pledge agreement** or deposited
44 securities pursuant to ORS 295.015 (1) if the funds are initially deposited into a bank depository in
45 Oregon and the Oregon bank depository participates in a program through which:

1 “(a) The Oregon bank depository arranges for deposit of the funds into one or more certificates
2 of deposit or time deposits issued by other financial institutions in the United States;

3 “(b) Each certificate of deposit or time deposit is fully insured by the Federal Deposit Insurance
4 Corporation;

5 “(c) The Oregon bank depository administers the funds on behalf of the public official; and

6 “(d) Other financial institutions participating in the program place funds into the Oregon de-
7 pository in an amount at least equal to the amount deposited into the Oregon bank depository by
8 the public official for purposes of the program.

9 “(2) Until the Oregon bank depository places public funds into one or more certificates of de-
10 posit or time deposits as provided in subsection (1) of this section, any **uninsured** public funds held
11 by the Oregon bank depository pending such placement [*that are in excess of the amounts allowed in*
12 *ORS 295.002*] must be collateralized as provided in ORS 295.001 to 295.108 for other **uninsured**
13 public funds deposits.

14 “(3) The provisions of ORS 295.006, 295.013, 295.015, 295.018 and 295.037 do not apply to public
15 funds deposits deposited into a bank depository in Oregon that the bank depository arranges for
16 under the provisions of the program described in this section. The provisions of ORS 294.035 and
17 295.001 requiring deposit of public funds into depositories that have offices or branches in Oregon
18 do not apply to certificates of deposit or time deposits that an Oregon bank depository arranges for
19 under the provisions of the program described in this section.

20 “**SECTION 64.** ORS 295.006 is amended to read:

21 “295.006. (1) Each bank depository shall keep on file with the State Treasurer the name and
22 address of its custodian bank.

23 “(2) Each public official shall keep on file with the State Treasurer the names, addresses and
24 such other information as the State Treasurer shall prescribe by rule of each depository in which
25 the public official deposits public funds.

26 “**(3) If a public official changes a bank depository in which the public official deposits**
27 **public funds, the public official shall report the information required under subsection (2) of**
28 **this section or by rule regarding the change to the State Treasurer within three business**
29 **days after the effective date of the change.**

30 “**SECTION 65.** ORS 295.008 is amended to read:

31 “295.008. (1)(a) An insured institution or trust company may not be a custodian bank under ORS
32 295.001 to 295.108, unless it certifies in writing to the State Treasurer that it will furnish the reports
33 required under ORS 714.075 to the Director of the Department of Consumer and Business Services.

34 “(b) The State Treasurer may approve one or more insured institutions or trust companies to
35 serve as custodians [*for bank depositories*]. The State Treasurer shall promptly notify all bank de-
36 positories of the approval of an insured institution or trust company to serve as a custodian.

37 “(2) An insured institution or trust company may not be a bank depository under ORS 295.001
38 to 295.108, unless it:

39 “(a) Certifies in writing to the State Treasurer that it will furnish, **by the time specified by**
40 **the Director of the Department of Consumer and Business Services:**

41 “(A) The reports required under ORS 714.075 to the director [*of the Department of Consumer and*
42 *Business Services*]; **and**

43 “(B) **Any other information the director considers necessary to determine whether to**
44 **advise the State Treasurer to order a bank depository to increase its collateral under ORS**
45 **295.018.**

1 “(b) Except as provided in subsection (4) of this section, enters into a pledge agreement; and

2 “(c) Complies with subsection (3) of this section.

3 “(3) [After July 1, 2008,] Any insured institution or trust company [that is not acting as a bank
4 depository on July 1, 2008, and] that wishes to become a bank depository shall file with the State
5 Treasurer an initial written report signed or authenticated by an officer of the insured institution
6 or trust company setting forth, as of the date the insured institution or trust company intends to
7 commence acting as a bank depository:

8 “(a) The estimated total amount of public funds that will be on deposit with the insured insti-
9 tution or trust company;

10 “(b) The estimated net worth of the insured institution or trust company;

11 “(c) The amount and nature of the collateral that will be deposited with its custodian to
12 collateralize the public funds deposits; and

13 “(d) The identity of its custodian.

14 “(4) An insured institution or trust company may be a bank depository under ORS 295.001 to
15 295.108 without entering into a pledge agreement or complying with subsection (3) of this section
16 if the insured institution or trust company does not hold any [funds on deposit for a public official
17 that exceed the limits specified in ORS 295.002 for that type of depository] **uninsured public funds**
18 **deposits**. The provisions of ORS 295.006, 295.013, 295.015, 295.018, 295.037 and 295.061 do not apply
19 to an insured institution or trust company that is a bank depository under this subsection.

20 “(5) **An insured institution or trust company that merges with, acquires all the assets**
21 **of, acquires ownership of, or otherwise becomes a successor entity to, a bank depository that**
22 **has entered into a pledge agreement must execute a new pledge agreement or provide evi-**
23 **dence satisfactory to the State Treasurer of the assumption by the successor insured insti-**
24 **tution or trust company of all of the duties and obligations of the bank depository under the**
25 **existing pledge agreement. An insured institution or trust company that fails to enter into**
26 **a pledge agreement or provide evidence of its assumption of the existing pledge agreement**
27 **within the time specified by the State Treasurer shall be treated as a bank depository holding**
28 **uninsured public funds that has failed to pledge adequate collateral under ORS 295.031.**

29 “**SECTION 66.** ORS 295.013 is amended to read:

30 “295.013. (1) Upon receipt of securities from the bank depository, the custodian bank shall issue
31 to the State Treasurer, with a copy to the bank depository, a custodian’s receipt describing the se-
32 curities.

33 “(2) Each custodian shall:

34 “(a) Maintain an accurate inventory of the securities of each bank depository described in the
35 custodian’s receipts issued by the custodian to the State Treasurer, and adjust the inventory to re-
36 flect withdrawals and substitutions of securities previously inventoried.

37 “(b) Appraise the value of the securities added to and withdrawn from the inventory of the bank
38 depository, and appraise the value of the entire inventory of the bank depository on the last day of
39 each month and at such other times as the State Treasurer directs.

40 “(c) Provide a monthly report to the State Treasurer listing the securities pledged by each bank
41 depository and setting forth the value of each security and of the entire inventory of securities
42 pledged by the bank depository.

43 “(d) Notify a bank depository in writing [whenever] **within one business day after the custo-**
44 **dian determines that** the value of the securities held by the custodian for the bank depository is
45 less than **the minimum collateral requirement for the bank depository.**[.]

1 “[(A) For a bank depository that is subject to increased collateral requirements under ORS 295.018,
2 110 percent of the greater of:]

3 “[(i) All public funds held by the bank depository; or]

4 “[(ii) The average of the balances of public funds held by the bank depository, as shown on the last
5 four immediately preceding treasurer reports; or]

6 “[(B) For a bank depository that is not subject to increased collateral requirements under ORS
7 295.018, the maximum liability for the bank depository.]

8 “(e) Notify the State Treasurer in writing [if] **within one business day after the custodian**
9 **learns that** a bank depository [fails] **failed** to increase the value of its securities within [five busi-
10 ness days after receipt of notice under paragraph (d) of this subsection] **the time required under**
11 **ORS 295.015 (3)(b).**

12 “(f) Notify the State Treasurer in writing if a bank depository increases the value of its securi-
13 ties to an adequate amount after receipt of notice under paragraph (d) of this subsection.

14 “(g) Notify the State Treasurer [whenever] **within one business day after the custodian de-**
15 **termines that** a bond in the inventory of a bank depository no longer meets the rating requirements
16 described in ORS 295.001 [(17)(c) or (d)] **(19)(c) or (d).**

17 “**SECTION 67.** ORS 295.015 is amended to read:

18 “295.015. Except as provided in ORS 295.018:

19 “(1)(a) Each bank depository throughout the period of its possession of [public fund deposits in
20 excess of the amounts insured or guaranteed as described in ORS 295.002 (1)(a) and (b)] **any**
21 **uninsured public funds deposits** shall maintain on deposit with its custodian, at its own expense,
22 securities having a value at least equal to its [maximum liability] **minimum collateral requirement**
23 and as otherwise prescribed in ORS 295.001 to 295.108. Such collateral shall be deposited with the
24 bank depository’s custodian and shall be clearly designated **by the bank depository and the**
25 **custodian** as security for the benefit of depositors of public funds under ORS 295.001 to 295.108.

26 “(b) For purposes of this section, when pledged as collateral for public funds deposits, loans
27 described in ORS 295.001 [(17)(f)] **(19)(f)** shall be discounted to 75 percent of the unpaid principal
28 balance owing on the loan from time to time, or to a lower value determined by the State Treasurer
29 from time to time.

30 “(c) When a bond anticipation note is pledged as collateral for public funds deposits, if there is
31 no readily determinable market value for the note, it shall be discounted to 75 percent of the unpaid
32 principal balance owing on the note from time to time, or to a lower value determined by the State
33 Treasurer from time to time.

34 “(2) The bank depository may deposit other eligible securities with its custodian and withdraw
35 from deposit securities theretofore pledged to secure deposits of public funds, if the remaining se-
36 curities have a value not less than its [maximum liability] **minimum collateral requirement.** The
37 State Treasurer shall execute such releases and surrender such custodian’s receipts as are appro-
38 priate to effect substitutions and withdrawals of matured and excess pledged securities.

39 “(3) If a bank depository’s [maximum liability] **minimum collateral requirement** increases be-
40 cause it ceases to be a well capitalized bank depository [or because it ceases to be an adequately
41 capitalized bank depository,] **as reflected in the bank depository’s last treasurer report, call**
42 **report or other public filing, or if the bank depository receives notice from the bank deposi-**
43 **tory’s custodian under ORS 295.013 (2)(d) or the State Treasurer:**

44 “(a) Within [five] **three** business days after the date on which the bank depository’s [maximum
45 liability] **minimum collateral requirement** increases, the bank depository shall[:]

1 “[(a)] notify its custodian, **the Director of the Department of Consumer and Business Ser-**
2 **VICES** and the State Treasurer in writing that the bank depository’s [maximum liability] **minimum**
3 **collateral requirement** has increased, setting forth the bank depository’s new [maximum liability]
4 **minimum collateral requirement and the bank depository’s plan for increasing its pledged**
5 **collateral to the minimum collateral requirement;** and

6 “(b) **Within five business days after the date on which the bank depository’s minimum**
7 **collateral requirement increases, or within a longer period approved by the State Treasurer**
8 **and the director, the bank depository shall, in accordance with the plan approved by the**
9 **State Treasurer and the director,** tender to its custodian additional securities having sufficient
10 value to increase the total value of its securities pledged as collateral for public funds deposits to
11 the new [maximum liability] **minimum collateral requirement** of the bank depository.

12 “(4) If a bank depository’s [maximum liability] **minimum collateral requirement** decreases be-
13 cause it moves from being an undercapitalized bank depository **or an adequately capitalized bank**
14 **depository** to being a well capitalized bank depository [or an adequately capitalized bank depository,
15 or because it moves from being an adequately capitalized bank depository to a well capitalized bank
16 depository], **or because the State Treasurer no longer requires the bank depository to pledge**
17 **additional collateral under ORS 295.018,** the bank depository may:

18 “(a) Notify its custodian and the State Treasurer in writing that the bank depository’s [maximum
19 liability] **minimum collateral requirement** has decreased, setting forth the bank depository’s new
20 [maximum liability] **minimum collateral requirement;** and

21 “(b) With the written approval of the State Treasurer, withdraw from its custodian any securi-
22 ties that exceed the bank depository’s new [maximum liability] **minimum collateral requirement.**

23 “(5) The State Treasurer shall act upon requests for releases and withdrawals of securities un-
24 der subsections (2) and (4)(b) of this section within three business days after the receipt of each
25 request.

26 “**SECTION 68.** ORS 295.018 is amended to read:

27 “295.018. (1)(a) The State Treasurer may require any bank depository during any period when
28 it has in its possession [public fund] **any uninsured public funds** deposits to maintain on deposit
29 with its custodians securities having a value not less than 110 percent of the greater of:

30 “[a] **(A)** All **uninsured** public funds held by the bank depository; or

31 “[b] **(B)** The average of the balances of **uninsured** public funds held by the bank depository,
32 as shown on the last [four] **two** immediately preceding treasurer reports.

33 “**(b) In consultation with the Director of the Department of Consumer and Business**
34 **Services, the State Treasurer may permit a bank depository to increase its collateral as re-**
35 **quired under paragraph (a) of this subsection over a period of time specified by the State**
36 **Treasurer or may require a bank depository to increase its collateral to an amount that is**
37 **less than the amount specified in paragraph (a) of this subsection.**

38 “(2) An increase in collateral under subsection (1) of this section shall be ordered upon the ad-
39 vice of the Director of the Department of Consumer and Business Services. If the bank depository
40 is a national bank or a federally chartered savings bank or savings and loan association, in giving
41 advice to the State Treasurer the director may rely exclusively on information provided to the di-
42 rector by federal regulatory agencies and by the **bank, savings bank or** association on forms pre-
43 scribed by the director. As a condition of being analyzed and reviewed by the director, a [federal
44 association] **national bank or a federally chartered savings bank or savings and loan associ-**
45 **ation** shall agree and consent to provide the director with accurate, pertinent and timely informa-

1 tion.

2 **“(3) If the State Treasurer orders a bank depository to increase its collateral under**
3 **subsection (1) of this section, the State Treasurer shall give notice of the order to the di-**
4 **rector and the custodian of the bank depository within one business day after issuing the**
5 **order.**

6 “[3] (4) Failure of the director to inform the State Treasurer of the condition of any bank de-
7 pository does not give any public depositor any right or impose any liability on the director. The
8 State Treasurer shall not be liable to any public depositor or to any bank depository for increasing
9 or not increasing the collateral requirement as authorized in subsection (1) of this section.

10 “[4] (5) *[Any bank depository notified by the State Treasurer of the increased collateral require-*
11 *ment shall comply with the order within five business days by increasing the collateral in the same*
12 *manner as required for the initial deposit of collateral in ORS 295.015 and, within the same five days,*
13 *shall notify the State Treasurer of its compliance by supplying copies of the custodian’s receipts for,*
14 *or statement of activity showing, the increased collateral.]* **Any bank depository notified by the**
15 **State Treasurer of the increased collateral requirement shall:**

16 **“(a) Within three business days after receiving the notice, submit to the State Treasurer**
17 **and the director, the bank depository’s plan for increasing its collateral to the level required**
18 **by the State Treasurer under subsection (1) of this section; and**

19 **“(b) Within five business days after receiving approval of its plan submitted under para-**
20 **graph (a) of this subsection, or within a longer period approved by the State Treasurer and**
21 **the director, increase its collateral to the level required by the State Treasurer under sub-**
22 **section (1) of this section and notify the State Treasurer and the director of its compliance**
23 **by supplying copies of the custodian’s receipts for, or statement of activity showing, the in-**
24 **creased collateral.**

25 “[5)(a)] (6)(a) If the State Treasurer does not receive the notice required in subsection [(4)]
26 (5)(b) of this section within the *[required five business days]* **applicable period under subsection**
27 **(5)(b) of this section,** the State Treasurer shall immediately *[notify the director of the failure and*
28 *shall]* send notice to *[all public officials served by]* **each public official who has notified the State**
29 **Treasurer that the public official has public funds on deposit in that bank depository of [its]**
30 **the bank depository’s failure to comply.**

31 **“(b) If, after giving notice as required by paragraph (a) of this subsection, the State Treasurer**
32 **receives notice that the bank depository is in compliance with the increased collateral requirements,**
33 **the State Treasurer shall notify [the public officials served by the bank depository] each public of-**
34 **ficial who was notified under paragraph (a) of this subsection that the bank depository is once**
35 **again in compliance.**

36 “[6] (7) A bank depository that does not comply with subsection [(4)] (5) of this section *[shall*
37 *accept no further public funds deposits that are not insured by the Federal Deposit Insurance Corpo-*
38 *ration]* **may not accept additional uninsured public funds deposits.**

39 “[7] (8) The *[names of financial institutions]* **collateralization requirement for a bank de-**
40 **pository and the amount of collateral held by a custodian** contained in records received or
41 compiled by the State Treasurer *[pursuant to the provisions of this section shall be]* **is exempt from**
42 **public disclosure unless the public interest requires disclosure in the particular instance.**

43 **“(9) The State Treasurer may require a bank depository that is required to increase its**
44 **collateral under subsection (5) of this section to file the reports required under ORS 295.061**
45 **(3).**

1 “**SECTION 69.** ORS 295.031 is amended to read:

2 “295.031. (1) Within *[five]* **three** business days after the State Treasurer receives notice from a
3 custodian pursuant to ORS 295.013 (2)(e), **receives information from the Director of the De-**
4 **partment of Consumer and Business Services or other sources under ORS 295.071 or 295.073,**
5 **or otherwise receives information** indicating that a bank depository has failed to pledge adequate
6 collateral with its custodian, the **State** Treasurer shall send written notice of the failure to each
7 public official who has **uninsured** public funds on deposit in the bank depository with respect to
8 which the notice *[under ORS 295.013 (2)(e)]* was given **or the information was received.**

9 “(2) Within five business days after the State Treasurer receives notice from a custodian pur-
10 suant to ORS 295.013 (2)(f) indicating that a bank depository has once again pledged adequate
11 collateral with its custodian, the **State** Treasurer shall send written notice to each public official
12 who was notified under subsection (1) of this section stating that the bank depository once again
13 has adequate collateral.

14 “**SECTION 70.** ORS 295.034 is amended to read:

15 “295.034. (1) Within *[20]* **15** business days after a public official receives a notice from the State
16 Treasurer pursuant to ORS 295.018 *[(5)(a)]* **(6)(a)**, *[or]* 295.031 (1) **or 295.061 (4)(a)**, the public official
17 shall withdraw from the bank depository to which the notice applies all **uninsured** public funds
18 deposits *[except those deposits that are insured by the Federal Deposit Insurance Corporation].*

19 “(2) If a public official receives a notice from the State Treasurer pursuant to ORS 295.018
20 *[(5)(a)]* **(6)(a)**, *[or]* 295.031 (1) **or 295.061 (4)(a)**, beginning *[20]* **15** business days after the public of-
21 ficial receives the notice, the public official may not deposit into the bank depository to which the
22 notice applies any public funds *[deposits if, as a result of such a deposit, the total public funds of the*
23 *public official on deposit with the bank depository exceed the deposit insurance limit of the Federal*
24 *Deposit Insurance Corporation]* **that, as a result of such a deposit, would be uninsured public**
25 **funds deposits.** The prohibition on deposits continues until the public official receives notice under
26 ORS 295.018 *[(5)(b)]* **(6)(b)**, *[or]* 295.031 (2) **or 295.061 (4)(b)** indicating that the bank depository is
27 in compliance with ORS 295.013, *[or]* 295.018 **or 295.061**, as applicable.

28 “(3) Except as required by any applicable law or regulation, a bank depository may not impose
29 any early withdrawal penalty or any forfeiture of interest with respect to a withdrawal made by a
30 public official pursuant to this section.

31 “**SECTION 71.** ORS 295.037 is amended to read:

32 “295.037. (1) The deposit of securities by a bank depository with its custodian pursuant to ORS
33 295.001 to 295.108 constitutes consent by the bank depository to the disposition of the securities in
34 accordance with this section.

35 “(2) When a loss has occurred in a bank depository, the bank depository shall as soon as pos-
36 sible make payment to the proper public officials of all funds subject to the loss, pursuant to the
37 following procedures:

38 “**(a) Immediately upon occurrence of the loss, the State Treasurer shall take possession**
39 **of the securities segregated as collateral for uninsured public funds deposits held by the**
40 **closed depository and begin to liquidate as much of the collateral as the State Treasurer**
41 **estimates is necessary, based upon the most recent information available to the State**
42 **Treasurer on the amount of uninsured public funds deposits held by the closed depository,**
43 **for distribution of the proceeds among public officials entitled to the proceeds as provided in**
44 **this section.**

45 “*[(a)]* **(b)** The Director of the Department of Consumer and Business Services or the receiver

1 **for the closed depository** shall, within 20 days after the issuance of a restraining order or taking
2 possession of any bank depository, ascertain the amount of public funds on deposit in the bank de-
3 pository as disclosed by its records and the amount of the public funds covered by deposit insurance
4 **or deposit guaranty bonds** and certify the amounts to the State Treasurer and to each public of-
5 ficial who has public funds on deposit in the bank depository.

6 “[*(b)*] **(c)** Each public official who has **uninsured** public funds on deposit in the bank depository
7 shall, within 10 days after receipt of the certification from the Director of the Department of Con-
8 sumer and Business Services or the receiver, furnish to the State Treasurer verified statements of
9 the **uninsured** public funds that the public official has on deposit in the bank depository.

10 “(3) Upon receipt of the certification from the Director of the Department of Consumer and
11 Business Services or the receiver and the verified statements from the public officials who have
12 **uninsured** public funds on deposit in the bank depository, the State Treasurer shall ascertain and
13 fix the amount of public funds on deposit in the bank depository, plus interest to the date the funds
14 are distributed to the public official at the rate the bank depository agreed to pay on the funds,
15 minus any amount covered by deposit insurance **or deposit guaranty bonds**.

16 “(4) After making the calculation described in subsection (3) of this section, the State Treasurer
17 shall assess the [*net*] amount of **uninsured** public funds against all bank depositories, as follows:

18 “(a) First, against the [*bank*] **closed** depository [*that suffered the loss*], to the extent of the full
19 value of [*its collateral deposited with its custodian pursuant to ORS 295.001 to 295.108*] **the proceeds**
20 **realized from the liquidation of its collateral by the State Treasurer under subsection (2) of**
21 **this section, plus the treasurer’s estimate of the amount of proceeds expected to be received**
22 **from the collateral still to be liquidated by the State Treasurer; and**

23 “(b) Second, against [*the collateral of all*] **all of the** other bank depositories, on a proportionate
24 basis determined as provided in subsection (5) of this section. **The amount assessed against each**
25 **other bank depository under this paragraph may not exceed the maximum liability of the**
26 **bank depository.**

27 “(5) For purposes of subsection (4) of this section, the proportionate share of each of the other
28 bank depositories shall be determined by:

29 “(a) Averaging the **total** amounts of [*the total*] **all uninsured** public funds deposits reported on
30 the bank depository’s last [*four*] **two** treasurer reports;

31 “(b) Averaging the **aggregate** total amounts of [*the total*] **all uninsured** public funds deposits
32 reported on the last [*four*] **two** treasurer reports of all of the bank depositories; and

33 “(c) Dividing the result of the calculation performed under paragraph (a) of this subsection by
34 the result of the calculation performed under paragraph (b) of this subsection.

35 “(6) Notwithstanding the assessment provisions of subsection (4) of this section, the State
36 Treasurer shall assess the [*net*] amount of **uninsured** public funds deposits of a public official only
37 against the [*bank*] **closed** depository [*that suffered the loss*], and not against [*the collateral of*] other
38 bank depositories, if the public official:

39 “(a) Was given appropriate notice about the [*bank*] **closed** depository by the State Treasurer
40 under ORS 295.018 [(5)(a)] **(6)(a)**, [*or*] 295.031 (1) **or 295.061 (4)(a) and did not comply with ORS**
41 **295.034; [and] or**

42 “(b) [*The public official did not comply with ORS 295.034*] **Failed to timely comply with the**
43 **requirements of ORS 295.006 and, as a result of the failure to timely comply, did not receive**
44 **appropriate notice about the closed depository from the State Treasurer under ORS 295.018**
45 **(6)(a), 295.031 (1) or 295.061 (4)(a).**

1 “(7) **The assessment by the State Treasurer against the closed depository shall be payable**
2 **immediately from the proceeds of the collateral delivered to the State Treasurer.** Assessments
3 made by the State Treasurer **against the other bank depositories** are payable on the fifth business
4 day following demand. If any bank depository fails to pay its assessment, the State Treasurer shall
5 take possession of **and liquidate** the securities segregated as collateral **for uninsured public funds**
6 **deposits held** by the bank depository [*and liquidate the securities for the purpose of paying the as-*
7 *essment*] **or so much of the securities as is needed to pay the bank depository’s assessment.**

8 “(8) The State Treasurer shall distribute the [*net proceeds of the assessments and of any liqui-*
9 *dated collateral*] **amounts received by the State Treasurer from the assessments**, to the extent
10 that they do not exceed the total [*net*] amount of **uninsured** public funds deposits and accrued in-
11 terest claimed by the public officials, among the public officials entitled to the proceeds in propor-
12 tion to the public officials’ respective claims.

13 “(9) If the [*net proceeds of the assessments and of any liquidated collateral*] **amounts received**
14 **by the State Treasurer from the assessments** are inadequate, after all other available sources
15 are applied, to meet the total claims of the public officials [*entitled to the proceeds*] **for the amount**
16 **of their uninsured public funds deposits**, the public officials may make claims against the closed
17 [*bank*] depository as general creditors, **but not against any bank depository other than the**
18 **closed depository.**

19 “(10)(a) **If the final amount of proceeds from the liquidation of collateral received by the**
20 **State Treasurer from a closed depository exceeds the amount of the assessment against the**
21 **closed depository under subsection (4)(a) of this section, the State Treasurer shall pay the**
22 **amount of the excess to the closed depository.**

23 “(b) **If the final amount of proceeds from the liquidation of collateral received by the**
24 **State Treasurer from other bank depositories exceeds the amount of the assessment against**
25 **the other bank depositories under subsection (4)(b) of this section, the State Treasurer shall**
26 **pay the excess to the other bank depositories in proportion to the amounts paid to the State**
27 **Treasurer under their assessments.**

28 “(c) **If the final amount of proceeds from the liquidation of collateral received by the**
29 **State Treasurer from a bank depository, other than the closed depository, under subsection**
30 **(7) of this section exceeds the amount of the assessment against the bank depository, the**
31 **State Treasurer shall pay the excess to the bank depository.**

32 “[(10)] (11) The prohibition on transfers of assets set forth in ORS 711.410 does not apply to
33 assessments, payments, transfers or sales of securities made pursuant to this section.

34 “**SECTION 71a.** ORS 295.041 is amended to read:

35 “295.041. Upon the distribution of the proceeds of assessments and liquidated collateral pursuant
36 to ORS 295.037 by the State Treasurer to any public official, the State Treasurer shall be subrogated
37 to all of the right, title and interest of the public official against the closed [*bank*] depository, and
38 shall share in any distribution of its assets ratably with other depositors. Any sums received from
39 any distribution shall be paid to the public officials to the extent of any unpaid net deposit liability
40 and the balance remaining shall be paid to the bank depositories against which the assessments
41 were made, pro rata in proportion to the assessments actually paid by each bank depository. How-
42 ever, the closed [*bank*] depository may not share in any distribution of the balance remaining. If the
43 State Treasurer incurs expenses in enforcing the treasurer’s rights under this section, the expenses
44 may be charged as provided in ORS 295.106. The State Treasurer shall submit a claim for expenses
45 to the bank depository, and if the charges are thereafter paid to the treasurer, they shall be treated

1 as a liquidation expense of the closed [*bank*] depository.

2 “**SECTION 71b.** ORS 295.046 is amended to read:

3 “295.046. (1) A bank depository may not accept a deposit of public funds if the deposit would
4 cause the aggregate of public funds deposits made by any one public official in the bank depository
5 to exceed at any time the net worth of the bank depository. If a bank depository’s net worth is re-
6 duced, the bank depository may allow public funds on deposit in excess of the reduced net worth to
7 remain if the bank depository deposits with its custodian eligible securities valued at market value
8 in an amount at least equal to the amount of the excess public funds deposits. If the additional se-
9 curities required by this section are not deposited with the custodian, the bank depository shall
10 permit the public official to withdraw deposits prior to maturity, including accrued interest, in ac-
11 cordance with applicable statutes and governmental regulations.

12 “(2) The limitations of subsection (1) of this section do not apply to public funds deposits held
13 by a bank depository in a certificate of deposit or time deposit under [*the program described in*] ORS
14 295.004.

15 “**SECTION 72.** ORS 295.048 is amended to read:

16 “295.048. (1) Notwithstanding ORS 295.046, a bank depository may not permit the aggregate of
17 public funds deposits on deposit with the bank depository from all public officials to exceed at any
18 time:

19 “(a) 100 percent of the value of the bank depository’s net worth, if the bank depository is an
20 undercapitalized bank depository;

21 “(b) 150 percent of the value of the bank depository’s net worth, if the bank depository is an
22 adequately capitalized bank depository;

23 “(c) 200 percent of the value of the bank depository’s net worth, if the bank depository is a well
24 capitalized bank depository; or

25 “(d) 30 percent of the total aggregate **uninsured** public funds deposits of all public officials in
26 all bank depositories as reported in the most recent notice received by the bank depository from the
27 State Treasurer.

28 “(2) The State Treasurer shall notify each bank depository and its custodian of the total aggre-
29 gate **uninsured** public funds deposits of all public officials in all bank depositories, based on the
30 most recently submitted treasurer reports. The treasurer shall give the notification required by this
31 subsection by the last day of the month in which bank depositories are required to submit a treas-
32 urer report.

33 “(3) If a bank depository’s aggregate of **uninsured** public funds deposits exceeds the amount set
34 forth in subsection (1) of this section, the bank depository shall, [*not later than 20*] **within three**
35 business days after receipt of notice from the State Treasurer, cease accepting deposits of
36 **uninsured** public funds.

37 “(4) Notwithstanding subsections (1) and (3) of this section:

38 “(a) A bank depository may accept and hold **uninsured** public funds deposits in excess of the
39 limits provided in subsection (1) of this section if the State Treasurer, upon good cause shown, ap-
40 proves the request of the bank depository to hold **uninsured** public funds in excess of the limits
41 provided in subsection (1) of this section for a period not exceeding 90 days **and eligible securities**
42 **are deposited with the bank depository’s custodian as collateral in an amount at least equal**
43 **to the amount of the uninsured public funds deposits in excess of the limits provided in**
44 **subsection (1) of this section.**

45 “(b) The limitations of subsection (1) of this section do not apply to public funds deposits held

1 by a bank depository in a *[program described in]* **certificate of deposit or time deposit under** ORS
2 295.004.

3 “(c) A well capitalized bank depository or an adequately capitalized bank depository may accept
4 and hold public funds deposits in excess of the limit provided in subsection (1)(d) of this section if
5 eligible securities are deposited with the bank depository’s custodian as collateral in an amount at
6 least equal to the amount of the public funds deposits in excess of the *[limitation]* **limit** prescribed
7 in subsection (1)(d) of this section.

8 “**SECTION 73.** ORS 295.053 is amended to read:

9 “295.053. (1) If a bank depository ceases holding **uninsured** public funds deposits, the bank de-
10 pository’s custodian shall continue to hold the pledged securities of the bank depository as collateral
11 pursuant to ORS 295.001 to 295.108. Unless the State Treasurer directs that the bank depository’s
12 securities be held for a longer period, the custodian shall hold the bank depository’s pledged secu-
13 rities for a period of **30 days**.[:]

14 “[*(a) 30 days, in the case of a bank depository that was well capitalized as of the date the bank*
15 *depository ceased holding any public funds deposits;*]

16 “[*(b) 90 days, in the case of a bank depository that was adequately capitalized as of the date the*
17 *bank depository ceased holding any public funds deposits; or]*

18 “[*(c) One year, in the case of a bank depository that was undercapitalized as of the date the bank*
19 *depository ceased holding any public funds deposits.*]

20 “(2) If any of a bank depository’s pledged securities mature during the *[periods]* **period** described
21 in subsection (1) of this section, the bank depository shall pledge substitute securities that shall be
22 held by its custodian until the expiration of the period.

23 “(3) At the end of the *[applicable holding]* period **described in subsection (1) of this section**,
24 if the bank depository has not, during that period, *[had on deposit]* **held** any **uninsured** public funds
25 deposits, the custodian shall tender the bank depository’s securities to the bank depository.

26 “[*(4) Notwithstanding the release of a bank depository’s securities pursuant to subsection (3) of this*
27 *section, the bank depository shall continue to be treated as a bank depository and shall be subject to*
28 *assessment under ORS 295.037 until one year after the bank depository ceased holding any public*
29 *funds deposits. If the bank depository no longer has pledged collateral that may be used to pay the*
30 *assessment, the bank depository shall remain liable for payment of the assessment from its other*
31 *assets.*]

32 “**SECTION 74.** ORS 295.061 is amended to read:

33 “295.061. (1) On or before each treasurer report due date, each bank depository that has in its
34 possession **uninsured** public funds deposits of one or more public officials *[that exceed the limits*
35 *specified in ORS 295.002]* shall file its treasurer report with its custodian bank and with the State
36 Treasurer.

37 “(2) Each bank depository that files reports with the State Treasurer under subsection (1) of this
38 section shall notify the State Treasurer in writing or by electronic means within *[10]* **three** business
39 days of:

40 “(a) The date on which the bank depository’s net worth is reduced by an amount greater than
41 10 percent of the amount shown as its net worth on the most recent report submitted pursuant to
42 subsection (1) of this section; or

43 “(b) The date on which the bank depository ceases to be well capitalized and becomes ade-
44 quately capitalized or undercapitalized, or ceases to be adequately capitalized and becomes under-
45 capitalized.

1 “(3) An **adequately capitalized bank depository or an** undercapitalized bank depository shall
2 report the actual amount of **uninsured** public funds deposits held by it at least weekly to its
3 custodian bank and to the State Treasurer.

4 “(4)(a) **If a bank depository fails to file any of the reports or provide any of the notices**
5 **required under this section or fails to file any of the notices or reports required under ORS**
6 **295.018, the State Treasurer may send a notice to each public official who has uninsured**
7 **public funds on deposit in the bank depository of the bank depository’s failure to comply.**

8 “(b) **If, after giving notice under paragraph (a) of this subsection, the State Treasurer**
9 **receives notice that the bank depository has filed the required reports or provided the re-**
10 **quired notices, the State Treasurer shall notify each public official who was notified under**
11 **paragraph (a) of this subsection that the bank depository is once again in compliance.**

12 “(5) **If a bank depository fails to comply with this section, the bank depository shall,**
13 **within three business days after receipt of notice from the State Treasurer, cease accepting**
14 **deposits of uninsured public funds.**

15 “**SECTION 75.** ORS 295.073 is amended to read:

16 “295.073. The Director of the Department of Consumer and Business Services shall advise the
17 State Treasurer **in writing** of any action the director takes or directs any bank depository to take
18 that will result in a reduction of greater than 10 percent of the net worth of the bank depository
19 as shown on the most recent treasurer report submitted pursuant to ORS 295.061.

20 “**SECTION 76.** ORS 286A.560 is amended to read:

21 “286A.560. As used in ORS 286A.560 to 286A.585 and 327.700 to 327.711, unless the context re-
22 quires otherwise:

23 “(1) ‘Appropriated funds’ for a particular fiscal year means any moneys, other than unobligated
24 net lottery proceeds, that are specifically appropriated or otherwise specifically made available by
25 the Legislative Assembly or the Emergency Board for a fiscal year to replenish reserves established
26 as additional security for lottery bonds pursuant to the authority granted in ORS 286A.580 (6).

27 “(2) ‘Bond-related costs’ means:

28 “(a) The costs and expenses of issuing, administering and maintaining lottery bonds and the
29 lottery bond program, including but not limited to paying or redeeming lottery bonds, paying
30 amounts due in connection with credit enhancements or any instruments authorized by ORS
31 286A.580 (6) and paying the administrative costs and expenses of the State Treasurer and the
32 Oregon Department of Administrative Services, including costs of consultants or advisors retained
33 by the State Treasurer or the Oregon Department of Administrative Services for the lottery bonds
34 or the lottery bond program;

35 “(b) The costs of funding any lottery bond reserves;

36 “(c) Capitalized interest for lottery bonds;

37 “(d) Rebates or penalties due to the United States in connection with lottery bonds; and

38 “(e) Any other costs or expenses that the State Treasurer or the Director of the Oregon De-
39 partment of Administrative Services determines are necessary or desirable in connection with issu-
40 ing lottery bonds or maintaining the lottery bond program.

41 “(3) ‘Lottery bonds’ means:

42 “(a) The state park lottery bonds authorized by ORS 390.060 to 390.067, the infrastructure lot-
43 tery bonds authorized by ORS 285B.530 to 285B.548 and the education lottery bonds authorized by
44 ORS 327.700 to 327.711;

45 “(b) Any other bonds payable from the revenues of the Oregon State Lottery unless the legis-

1 lation authorizing those bonds expressly provides that those bonds may not be issued under ORS
2 286A.560 to 286A.585; and

3 “(c) Any refunding lottery bonds.

4 “(4) ‘Lottery Bond Administrative Fund’ means the fund created by ORS 286A.573.

5 “(5) ‘Lottery Bond Fund’ means the fund created by ORS 286A.570.

6 “(6) ‘Lottery bond program’ means a financing program authorized by:

7 “(a) ORS 285B.530 to 285B.548, 327.700 to 327.711 or 390.060 to 390.067; or

8 “(b) Any other Act of the Legislative Assembly authorizing the issuance of bonds that are pay-
9 able from the revenues of the Oregon State Lottery, unless the legislation authorizing those bonds
10 expressly provides that those bonds may not be issued under ORS 286A.560 to 286A.585.

11 “(7) ‘Refunding lottery bonds’ means any bonds issued for the purpose of refunding any lottery
12 bonds.

13 “(8) ‘Unobligated net lottery proceeds’ means all revenues derived from the operation of the
14 Oregon State Lottery except for:

15 “(a) The revenues used for the payment of prizes and expenses of the Oregon State Lottery as
16 provided in section 4 (4)(d), Article XV of the Oregon Constitution, and ORS 461.500 and 461.510;
17 **and**

18 “[*(b) The revenues required to be applied, distributed or allocated as provided in ORS 461.543;*
19 *and*]

20 “[*(c)*] **(b)** The revenues required to be allocated to pay the Westside lottery bonds and any bonds
21 issued to refund the Westside lottery bonds, to fund reserves for any of those bonds and to pay re-
22 lated costs of the Department of Transportation.

23 “(9) ‘Westside lottery bonds’ means the bonds issued by this state under the authority granted
24 in ORS 391.140 that, notwithstanding ORS 267.334, 285B.419, 285B.422, 285B.482, 285B.530 to
25 285B.548, 286A.560 to 286A.585, 327.700 to 327.711 and 390.060 to 390.067, shall have a claim on
26 lottery funds that is superior to the claim of the lottery bonds authorized by ORS 286A.560 to
27 286A.585.”.

28 In line 6, delete “63” and insert “77”.

29 In line 25, delete “64” and insert “78”.

30 On page 38, line 16, delete “65” and insert “79”.

31 Delete line 18 and insert:

32 **“SECTION 80. ORS 293.756, 293.766, 293.820, 293.822, 293.824 and 295.087 are repealed.”.**

33 In line 19, delete “67” and insert “81”.

34 In line 32, after “chased” insert “and to activities occurring”.

35 After line 37, insert:

36 “(7) The amendments to ORS 295.004 by section 63 of this 2009 Act apply to deposits made on
37 or after the effective date of this 2009 Act and deposits pending placement on the effective date of
38 this 2009 Act.

39 “(8) The amendments to ORS 295.006 by section 64 of this 2009 Act apply to changes made on
40 or after the effective date of this 2009 Act.

41 “(9) The amendments to ORS 295.013 by section 66 of this 2009 Act apply to insured institutions
42 or trust companies that are custodian banks prior to, on or after the effective date of this 2009 Act.

43 “(10) The amendments to ORS 295.015 by section 67 of this 2009 Act apply to activities occur-
44 ring on or after the effective date of this 2009 Act.

45 “(11) The amendments to ORS 295.018 by section 68 of this 2009 Act apply to deposits held on

1 or after the effective date of this 2009 Act.

2 “(12) The amendments to ORS 295.031 by section 69 of this 2009 Act apply to notices or infor-
3 mation received by the State Treasurer on or after the effective date of this 2009 Act.

4 “(13) The amendments to ORS 295.034 by section 70 of this 2009 Act apply to notices received
5 and deposits made by public officials on or after the effective date of this 2009 Act.

6 “(14) The amendments to ORS 295.037 by section 71 of this 2009 Act apply to losses occurring
7 on or after the effective date of this 2009 Act.

8 “(15) The amendments to ORS 295.048 by section 72 of this 2009 Act apply to deposits held on
9 or after the effective date of this 2009 Act.

10 “(16) The amendments to ORS 295.053 by section 73 of this 2009 Act apply to bank depositories
11 that cease holding uninsured public funds deposits on or after the effective date of this 2009 Act.

12 “(17) The amendments to ORS 295.061 by section 74 of this 2009 Act apply to reports and notices
13 required to be filed on or after the effective date of this 2009 Act.

14 “(18) The repeal of ORS 295.087 by section 80 of this 2009 Act applies to investments or dis-
15 posals of funds made on or after the effective date of this 2009 Act.

16 “**SECTION 82. This 2009 Act being necessary for the immediate preservation of the public
17 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
18 on its passage.**”

19
