**2010 Special Session**
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3700 **STATUS:** B Engrossed
**SUBJECT:** Allows credit unions to accept public funds as deposits.
**GOVERNMENT UNIT AFFECTED:** State Treasurer and Department of Consumer and Business Services
**PREPARED BY:** Tim Walker
**REVIEWED BY:** Steve Bender and Susan Jordan
**DATE:** February 23, 2010

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| | | 2009-2011 | | 2011-2013 |
|---|---|---|---|---|
| **EXPENDITURES:** | | | | |
| State Treasurer – Other Funds | | | | |
| Personal Services | | $ - | $ | 45,311 |
| Services and Supplies | | $ - | $ | 35,092 |
| | **Total** | $ - | $ | 80,403 |
| **POSITIONS / FTE:** Acct 2 Step 2 | | - | | 1/0.38 |

**EFFECTIVE DATE:** January 1, 2013

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was not reviewed and approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** This bill would allow state or federal credit unions to accept public funds, allows the State Treasurer to establish credit union depositories, and continuously appropriate funds.

Under current practice with state chartered banks, any deposits from a public entity that exceed the federally insured amount would require the bank to deposit an additional amount in a depository managed by the State Treasurer. The amount required to be deposited is determined by the financial stability of the bank in question and certain other factors. In addition, the State Treasurer can recover the expenses associated with managing the depository. At the end of each quarter, the State Treasurer bills the banks that are part of the depository for the expenses incurred. The State Treasurer will establish a like program for credit unions if this bill passes. The State Treasurer has stated they will need one fulltime Accountant 2 position, beginning October 1, 2012. The full biennia cost will be $124,675 in 2013-2015. The agency may request the Emergency Board to establish this position and authorize expenditures.