

**76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: 2970 A
CARRIER: Rep. Barnhart**

**REVENUE: No Revenue Impact
FISCAL: No Fiscal Impact**

Action: Do Pass as Amended and be printed Engrossed
Vote: 8-0-0
Yeas: Bailey, Bentz, Brewer, Gelser, Read, Wand, Barnhart, Berger
Nays: 0
Exc.: 0

Prepared By: Mazen Malik, Economist
Meeting Dates: 6/9

WHAT THE BILL DOES: States that a credit union depository that has been granted a 90-day grace period to correct their noncompliance, shall cease accepting deposits of uninsured public funds within three business days of receiving notice from the State Treasurer.

ISSUES DISCUSSED:

- The language similar to HB 2519 which is in not moving at this time.
- Needed clean up language for the state treasurer to comply with new requirements.

EFFECT OF COMMITTEE AMENDMENTS: Replaces the bill. The Amendment changes section 13 of Chapter 101 (Oregon Laws 2010) to address both the initial and ongoing funding of a public funds collateralization program for credit union depositories. State that once the conditions have been satisfied the State Treasurer will have 180 days to implement the credit union public funds collateralization program.

States that a bank depository that has been granted a 90-day grace period to correct their noncompliance, shall cease accepting deposits of uninsured public funds within three business days of receiving notice from the State Treasurer. Upon notification, public officials will be required to withdraw all uninsured public funds that exceed the limits specified within section (1)(d) from the depository within 15 days.

BACKGROUND:

The time lines for both types of depository institutions (banks and credit unions) need to be aligned for the State Treasurer processes to catch up with the new requirements. Adds language to ORS 295.048, as amended by section 16 of Chapter 101 (Oregon Laws 2010), to state that a credit union depository that has been granted a 90-day grace period in which to correct their noncompliance with the requirements of ORS 295.048(1), and has failed to do so within this time period, to stop accepting public deposits.