

Enrolled
House Bill 2614

Sponsored by Representative SCHAUFLEER (at the request of Oregon Bankers Association) (Presession filed.)

CHAPTER

AN ACT

Relating to banking; creating new provisions; amending ORS 708A.195 and 708A.590; and declaring an emergency.

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

SECTION 1. ORS 708A.590 is amended to read:

708A.590. (1) An institution that owns or holds any real estate other than as permitted in the Bank Act shall immediately charge the book value of **the** real estate to profit and loss or otherwise remove the real estate from *[its]* **the institution's** books.

(2) An institution shall at all times value and record on the institution's books and records, in accordance with generally accepted accounting principles, real estate that the institution owns or holds in accordance with ORS 708A.175 (3) or (4).

[(2) All real estate owned or held by an institution in accordance with ORS 708A.175 (3) or (4) shall be reduced in book value by not less than five percent of its original book value per year commencing the year title is vested and continuing until the earlier of the year the real estate is disposed of or the expiration of the period such real estate may be owned or held under ORS 708A.195. Upon the expiration of the period such real estate may be owned or held under ORS 708A.195, the remaining book value shall be charged off.]

SECTION 2. ORS 708A.195 is amended to read:

708A.195. (1) An institution shall promptly dispose of *[all]* real and personal property that the institution is not authorized to own or hold under the Bank Act.

(2) *[All]* Real estate acquired by an institution pursuant to ORS 708A.175 (3) and (4) shall be sold or exchanged for other real estate within *[15]* **10** years after title has vested in *[it]* **the real estate**, unless *[the time is extended by]* the Director of the Department of Consumer and Business Services **extends the time**. Title *[is deemed vested]* **vests** for purposes of this section on the date the institution is first entitled to receive a deed to the real estate. **An institution may not exchange** real estate *[may not be exchanged]* for other real estate without the **director's** prior written consent *[of the director]*. An institution may hold real estate taken in exchange for other real estate for *[such]* **a** period of time *[as]* **that** the director *[may fix]* **fixes**, not to exceed *[15]* **10** years from the date of the exchange.

(3) *[All personal property acquired by]* An institution **shall promptly dispose of personal property the institution acquires under ORS 708A.175 (3)**. *[pursuant to ORS 708A.175 (3) shall be promptly disposed of.]*

SECTION 3. (1) **The amendments to ORS 708A.590 by section 1 of this 2011 Act apply to real estate that an institution acquires before, on or after the effective date of this 2011 Act.**

(2) The amendments to ORS 708A.195 (2) by section 2 of this 2011 Act apply to real estate that an institution takes in exchange for other real estate on or after the effective date of this 2011 Act.

SECTION 4. This 2011 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect on its passage.

Passed by House February 21, 2011

Received by Governor:

Repassed by House June 14, 2011

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Approved:

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Ramona Kenady Line, Chief Clerk of House

.....M,....., 2011

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Bruce Hanna, Speaker of House

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John Kitzhaber, Governor

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Arnie Roblan, Speaker of House

Filed in Office of Secretary of State:

Passed by Senate June 10, 2011

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Peter Courtney, President of Senate

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Kate Brown, Secretary of State