

## HOUSE AMENDMENTS TO HOUSE BILL 2970

By COMMITTEE ON REVENUE

June 10

1 On page 1 of the printed bill, line 2, delete “creating new provisions;” and after “ORS” delete  
2 the rest of the line and line 3 and insert “295.048 and 295.101 and sections 13 and 29, chapter 101,  
3 Oregon Laws 2010; and declaring an emergency.”.

4 Delete lines 5 through 27 and delete pages 2 through 4 and insert:

5 “**SECTION 1.** Section 13, chapter 101, Oregon Laws 2010, is amended to read:

6 “**Sec. 13.** (1) [Until June 30, 2013,] The State Treasurer may accept moneys from any public or  
7 private source, including a credit union or an association of credit unions, for the purpose of paying  
8 initial **or continuing** expenses related to administering the provisions of section 12, **chapter 101,**  
9 **Oregon Laws 2010** [of this 2010 Act].

10 “(2) The State Treasurer shall deposit moneys the State Treasurer receives under this section  
11 into the Miscellaneous Receipts Account established for the State Treasurer in the General Fund.  
12 Notwithstanding the provisions of ORS 295.106, moneys the State Treasurer receives under this  
13 section are continuously appropriated to the State Treasurer for the purpose of paying the State  
14 Treasurer’s initial **or continuing** expenses related to administering section 12, **chapter 101, Oregon**  
15 **Laws 2010** [of this 2010 Act]. The State Treasurer shall expend the moneys in accordance with the  
16 terms and conditions upon which the moneys were made available.

17 “**SECTION 2.** Section 29, chapter 101, Oregon Laws 2010, is amended to read:

18 “**Sec. 29.** (1) **Subject to subsection (2) of this section,** sections 12, 13, 13a and 13b, **chapter**  
19 **101, Oregon Laws 2010,** [of this 2010 Act] and the amendments to ORS 295.001, 295.002, 295.004,  
20 295.006, 295.008, 295.013, 295.015, 295.018, 295.031, 295.034, 295.041, 295.046, 295.048, 295.053, 295.061,  
21 295.071, 295.073, 295.081, 295.084, 295.091, 295.108, 295.205, 576.375 and 711.410 by sections 1 to 10,  
22 14 to 23 and 25 to 28, **chapter 101, Oregon Laws 2010,** [of this 2010 Act] become operative January  
23 1, 2013.

24 “(2) **If the State Treasurer determines that the conditions described in section 13a (1),**  
25 **chapter 101, Oregon Laws 2010, have been satisfied, the State Treasurer shall implement**  
26 **sections 12 and 13b, chapter 101, Oregon Laws 2010, and the amendments to ORS 295.001,**  
27 **295.002, 295.004, 295.006, 295.008, 295.013, 295.015, 295.018, 295.031, 295.034, 295.041, 295.046,**  
28 **295.048, 295.053, 295.061, 295.071, 295.073, 295.081, 295.084, 295.091, 295.108, 295.205, 576.375 and**  
29 **711.410 by sections 1 to 10, 14 to 23 and 25 to 28, chapter 101, Oregon Laws 2010, not later**  
30 **than 180 days after the date the State Treasurer determines that the conditions described**  
31 **in section 13a (1), chapter 101, Oregon Laws 2010, have been satisfied.**

32 “[2] (3) The State Treasurer and the Director of the Department of Consumer and Business  
33 Services may take any action before January 1, 2013, that is necessary to enable the State Treasurer  
34 and the director to exercise, on and after January 1, 2013, all the duties, functions and powers  
35 conferred on the State Treasurer and the director by sections 12, 13, 13a and 13b, **chapter 101,**

1 **Oregon Laws 2010**, [of this 2010 Act] and the amendments to ORS 295.001, 295.002, 295.004, 295.006,  
2 295.008, 295.013, 295.015, 295.018, 295.031, 295.034, 295.041, 295.046, 295.048, 295.053, 295.061, 295.071,  
3 295.073, 295.081, 295.084, 295.091, 295.108, 295.205, 576.375 and 711.410 by sections 1 to 10, 14 to 23  
4 and 25 to 28, **chapter 101, Oregon Laws 2010** [of this 2010 Act].

5 **“SECTION 3.** ORS 295.048 is amended to read:

6 “295.048. (1) Notwithstanding ORS 295.046, a bank depository may not permit the aggregate of  
7 public funds deposits on deposit with the bank depository from all public officials to exceed at any  
8 time:

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

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

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

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

18 “(2) The State Treasurer shall notify each bank depository and its custodian of the total aggre-  
19 gate uninsured public funds deposits of all public officials in all bank depositories, based on the most  
20 recently submitted treasurer reports. The treasurer shall give the notification required by this sub-  
21 section by the last day of the month in which bank depositories are required to submit a treasurer  
22 report.

23 “(3) If a bank depository’s aggregate of uninsured public funds deposits exceeds the amount set  
24 forth in subsection (1) of this section, the bank depository shall, within three business days after  
25 receipt of notice from the State Treasurer, cease accepting deposits of uninsured public funds.

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

27 “(a) A bank depository may accept and hold uninsured public funds deposits in excess of the  
28 limits provided in subsection (1) of this section if the State Treasurer, upon good cause shown, ap-  
29 proves the request of the bank depository to hold uninsured public funds in excess of the limits  
30 provided in subsection (1) of this section for a period not exceeding 90 days and eligible securities  
31 are deposited with the bank depository’s custodian as collateral in an amount at least equal to the  
32 amount of the uninsured public funds deposits in excess of the limits provided in subsection (1) of  
33 this section. **Upon the expiration of the 90-day period, if the bank depository does not comply**  
34 **with the limits specified in subsection (1) of this section, the bank depository shall, within**  
35 **three business days after receiving notice from the State Treasurer, cease accepting deposits**  
36 **of uninsured public funds.**

37 “(b) The limits of subsection (1) of this section do not apply to public funds deposits held by a  
38 bank depository in a certificate of deposit or time deposit under ORS 295.004.

39 “(c) A well capitalized bank depository or an adequately capitalized bank depository may accept  
40 and hold public funds deposits in excess of the limit provided in subsection (1)(d) of this section if  
41 eligible securities are deposited with the bank depository’s custodian as collateral in an amount at  
42 least equal to the amount of the public funds deposits in excess of the limit prescribed in subsection  
43 (1)(d) of this section.

44 **“(5) If the State Treasurer notifies a bank depository that it must cease accepting de-**  
45 **posits of uninsured public funds under subsection (3) or (4) of this section, the State Treas-**

1 urer may also notify public officials who have deposited uninsured public funds in the bank  
2 depository that within 15 business days after the public official receives the notice from the  
3 State Treasurer, the public official must withdraw from the bank depository to which the  
4 notice applies all uninsured public funds deposits that exceed the limit specified in subsection  
5 (1)(d) of this section. A public official who is notified by the State Treasurer under this sub-  
6 section must begin to withdraw funds as specified in the notice. Except as required by any  
7 applicable law or regulation, a bank depository may not impose an early withdrawal penalty  
8 or a forfeiture of interest with respect to a withdrawal made pursuant to this subsection.

9 **“SECTION 4.** ORS 295.048, as amended by section 16, chapter 101, Oregon Laws 2010, is  
10 amended to read:

11 “295.048. (1) Notwithstanding ORS 295.046, a depository may not permit the aggregate of public  
12 funds deposits on deposit with the depository from all public officials to exceed at any time the  
13 lesser of:

14 “(a) 100 percent of the value of the depository’s net worth, if the depository is an undercapital-  
15 ized depository;

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

18 “(c) 200 percent of the value of the depository’s net worth, if the depository is a well capitalized  
19 depository;

20 “(d) For a bank depository, 30 percent of the total aggregate public funds deposits of all public  
21 officials in all bank depositories as reported in the most recent notice the bank depository received  
22 from the State Treasurer; or

23 “(e) For a credit union depository, 30 percent of the total aggregate public funds deposits of all  
24 public officials in all credit union depositories as reported in the most recent notice the credit union  
25 depository received from the State Treasurer.

26 “(2) The State Treasurer shall notify each bank depository or credit union depository and the  
27 depository’s custodian of the total aggregate public funds deposits of all public officials in all bank  
28 depositories or credit union depositories, as appropriate, based on the most recently submitted  
29 treasurer reports. The State Treasurer shall give the notification required by this subsection by the  
30 last day of the month in which the depositories are required to submit a treasurer report.

31 “(3) If a depository’s aggregate of public funds deposits exceeds the amount set forth in sub-  
32 section (1) of this section, the depository shall, within three business days after receiving notice  
33 from the State Treasurer, cease accepting deposits of public funds.

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

35 “(a) A depository may accept and hold public funds deposits in excess of the limits specified in  
36 subsection (1) of this section if the State Treasurer, upon good cause shown, approves the  
37 depository’s request to hold public funds in excess of the limits specified in subsection (1) of this  
38 section for a period not exceeding 90 days and eligible securities are deposited with the depository’s  
39 custodian as collateral in an amount at least equal to the amount of the uninsured public funds de-  
40 posits that exceeds the limits specified in subsection (1) of this section. **Upon the expiration of  
41 the 90-day period, if the depository does not comply with the limits specified in subsection  
42 (1) of this section, the depository shall, within three business days after receiving notice  
43 from the State Treasurer, cease accepting deposits of public funds.**

44 “(b) The limits specified in subsection (1) of this section do not apply to public funds deposits  
45 a depository holds in a certificate of deposit or time deposit under ORS 295.004.

1 “(c) A well capitalized depository or an adequately capitalized depository may accept and hold  
2 public funds deposits that exceed the limit specified in subsection (1)(d) or (e) of this section if eli-  
3 gible securities are deposited with the depository’s custodian as collateral in an amount at least  
4 equal to the amount of the uninsured public funds deposits that exceed the limit specified in sub-  
5 section (1)(d) or (e) of this section.

6 **“(5) If the State Treasurer notifies a depository that it must cease accepting deposits of**  
7 **public funds under subsection (3) or (4) of this section, the State Treasurer may also notify**  
8 **public officials who have deposited public funds in the depository that within 15 business days**  
9 **after the public official receives the notice from the State Treasurer, the public official must**  
10 **withdraw from the depository to which the notice applies all public funds deposits that ex-**  
11 **ceed the limit specified in subsection (1)(d) or (e) of this section. A public official who is no-**  
12 **tified by the State Treasurer under this subsection must begin to withdraw funds as specified**  
13 **in the notice. Except as required by any applicable law or regulation, a depository may not**  
14 **impose an early withdrawal penalty or a forfeiture of interest with respect to a withdrawal**  
15 **made pursuant to this subsection.**

16 **“SECTION 5.** ORS 295.101 is amended to read:

17 “295.101. (1) The following public funds are not subject to the provisions of ORS 295.001 to  
18 295.108:

19 “(a) Funds that are deposited for the purpose of paying principal, interest or premium, if any,  
20 on bonds, as defined in ORS 286A.001 and 287A.001, and related costs or securing a borrowing re-  
21 lated to an agreement for exchange of interest rates entered into under ORS 286A.110 or 287A.335.

22 “(b) Funds that are invested in authorized investments under provisions of law other than ORS  
23 295.001 to 295.108. Funds invested under ORS 293.701 to 293.820 are invested in authorized invest-  
24 ments for purposes of this subsection from the time the funds are transferred by the State Treasurer  
25 to a third party under the terms of a contract for investment or administration of the funds that  
26 requires such a transfer until the time the funds are returned to the treasurer or paid to another  
27 party under the terms of the contract.

28 “(c) Negotiable certificates of deposit purchased by the State Treasurer under ORS 293.736 or  
29 by an investment manager under ORS 293.741.

30 **“(d) Funds that are held by a public official and are required by federal law or contractual**  
31 **provisions to be collateralized at 100 percent, if the funds are deposited in an account that**  
32 **is separate from other accounts of the public official in a depository, and the public official**  
33 **and the depository have entered into a written agreement that provides a perfected security**  
34 **interest to the public official in collateral valued at an amount at least equal to the amount**  
35 **of funds in the account in a manner substantially similar to a pledge agreement described**  
36 **in ORS 295.001 (15).**

37 “(2) Notwithstanding subsection (1) of this section, funds deposited by a custodial officer under  
38 ORS 294.035 (3)(d) are subject to the provisions of ORS 295.001 to 295.108.

39 **“SECTION 6. This 2011 Act being necessary for the immediate preservation of the public**  
40 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
41 **on its passage.”.**