

SENATE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2350

By COMMITTEE ON BUSINESS AND TRANSPORTATION

May 19

1 On page 1 of the printed A-engrossed bill, line 11, after “713.990” insert “, 714.025, 714.035,
2 714.049, 714.054, 714.059, 714.064, 714.095”.

3 On page 46, after line 35, insert:

4 “**SECTION 88a.** ORS 714.025 is amended to read:

5 “714.025. (1)(a) A banking institution may establish and operate one or more branches within
6 or outside [*the State of Oregon*] **this state. Not later than 30 days before** the board of directors
7 of a banking institution [*desiring to establish*] **establishes** a branch, **the banking institution** shall
8 file [*an application*] **a notice** with the Director of the Department of Consumer and Business Ser-
9 vices **that sets forth the name of the banking institution, the proposed location of the branch**
10 **and the date on which the branch will begin operating.** [*The application shall be in the form the*
11 *banking institution is required to file with the Federal Reserve System or the Federal Deposit Insur-*
12 *ance Corporation to establish a branch at such location, as the case may be, or in such other form as*
13 *the director may require. The application shall be accompanied by a \$500 fee, which fee shall only*
14 *apply to the establishment of new branches and not to the acquisition or relocation of existing*
15 *branches.*] The director shall promptly advise the banking institution if the [*application*] **notice** is
16 incomplete or if the director requires additional information.

17 “(b) **The director may limit or restrict a banking institution’s ability to establish an ad-**
18 **ditional branch if the director determines that establishing an additional branch would ad-**
19 **versely affect the banking institution’s safety and soundness. A banking institution may**
20 **appeal the director’s decision in a contested case proceeding in accordance with ORS chapter**
21 **183.**

22 “(2) Mobile banking facilities described in ORS 714.035 and temporary branches are
23 [*considered*] branches for purposes of this section. A temporary branch is a branch that operates for
24 a period not to exceed 60 days, [*which*] **a period [shall] that may** not be extended. The application
25 fee for a temporary branch [*shall be*] **is** \$100. The director may establish rules regarding temporary
26 branches.

27 “(3) Branches to be located in other countries or to be located in dependencies or insular pos-
28 sessions of the United States are subject to the requirements of this section and ORS 714.045.

29 “**SECTION 88b.** ORS 714.035 is amended to read:

30 “714.035. A banking institution may, in accordance with ORS 714.025, establish one or more
31 mobile facilities to engage in the banking business or to transact trust business. Mobile banking
32 facilities may operate within [*the State of Oregon*] **this state** and in other states. [*An application*
33 *under ORS 714.025 shall not be required for mobile facilities that exercise permissible powers or en-*
34 *gage in permissible activities that do not constitute engaging in the banking business or transacting*
35 *trust business. The application fee for each facility is \$500.*]

1 “**SECTION 88c.** ORS 714.049 is amended to read:

2 “714.049. [(1)] The Director of the Department of Consumer and Business Services shall investi-
3 gate each [application to establish a branch] **notice that a banking institution files under ORS**
4 **714.025.** With respect to [applications covering] **notices for** branches [to be located] **that the bank-**
5 **ing institution will locate** outside [the State of Oregon] **this state,** the director shall promptly
6 provide the local bank supervisory agency or regulator with a copy of the [application] **notice** and
7 an opportunity to comment on the [application] **notice.** The director [shall] **is not [be]** bound by [any
8 such] **the local bank supervisory agency’s or regulator’s** comments.

9 “[(2) In determining whether to approve or disapprove an application to establish a branch, the
10 director shall consider such factors as the director deems appropriate, including the likely impact of the
11 branch on the safety and soundness of the banking institution, the adequacy of the capital of the
12 banking institution, the institution’s record of complying with applicable law, and the results of super-
13 visory examinations of the banking institution.]

14 “[(3) The director’s decision to disapprove an application is subject to appeal in the manner pro-
15 vided in ORS 707.080 for the organization of an institution.]

16 “**SECTION 88d.** ORS 714.054 is amended to read:

17 “714.054. With respect to [applications] **notices** to establish branches in [the State of Oregon]
18 **this state** or [in a state outside of the State of Oregon] **another state,** the Director of the Depart-
19 ment of Consumer and Business Services may [approve or disapprove the application, provided how-
20 ever, that] **limit or restrict a banking institution’s ability to establish a branch, except that**
21 **the director’s** failure to [disapprove an application] **limit or restrict the banking institution’s**
22 **ability to establish the branch** within 30 days after [receipt of] **receiving** a complete [application
23 shall be deemed an approval of the application] **notice is a decision not to limit or restrict the**
24 **banking institution’s ability to establish the branch.** With respect to [applications] **notices** by
25 banking institutions to establish branches in foreign countries or dependencies or insular pos-
26 sessions of the United States, the director may [approve or disapprove an application, provided how-
27 ever,] **limit or restrict a banking institution’s ability to establish a branch, except that the**
28 **director’s** failure to [disapprove an application] **limit or restrict the banking institution’s ability**
29 **to establish the branch** within 90 days after [receipt of] **receiving** a complete [application shall be
30 deemed an approval of the application] **notice is a decision not to limit or restrict the banking**
31 **institution’s ability to establish a branch.**

32 “**SECTION 88e.** ORS 714.059 is amended to read:

33 “714.059. [Upon the request of] **At** a banking [institution] **institution’s request,** the Director of
34 the Department of Consumer and Business Services shall issue and deliver a certificate [authorizing
35 each approved] **to authorize each branch for which the banking institution has given notice**
36 **under ORS 714.025** to conduct business.

37 “**SECTION 88f.** ORS 714.064 is amended to read:

38 “714.064. A branch shall commence business within one year after the [application for the branch
39 has been approved or deemed approved by] **banking institution files notice with** the Director of the
40 Department of Consumer and Business Services **under ORS 714.025.** The director may extend **for**
41 **one additional year** the period within which the **banking institution may establish the** branch
42 [may open up to one additional year]. If a branch fails to commence business within the year or any
43 extension of time [granted by] the director **grants,** the [approval of the application shall be deemed
44 withdrawn] **director shall deem the banking institution to have withdrawn the notice** and the
45 branch may not open or operate.

1 “**SECTION 88g.** ORS 714.095 is amended to read:

2 “714.095. (1) An out-of-state bank may occupy and maintain *[its]* **the out-of-state bank’s** initial
3 branches in this state if and only if *[the branches are acquired by]* the out-of-state bank **acquires**
4 **the branches** in accordance with ORS chapters 711 and 713.

5 “(2) An out-of-state bank that is properly occupying and maintaining one or more branches in
6 *[Oregon]* **this state** in accordance with ORS chapters 711 and 713 may thereafter open, occupy and
7 maintain one or more additional branches in this state. *[The out-of-state bank shall not be required*
8 *to file an application under ORS 714.025 to establish such additional branches.]*

9 “(3) An out-of-state bank that acquires branches in accordance with ORS chapters 711 and 713
10 *[shall be]* **is** entitled to exercise powers and engage in activities at *[its]* **the out-of-state bank’s**
11 branches in this state as provided in ORS 713.010 and applicable federal law.”.

12 In line 37, delete “that” and insert “with respect to which the banking institution has not filed
13 notice with”.

14 In line 38, after “Services” insert “under ORS 714.025” and delete the rest of the line.

15 On page 50, line 26, after “713.990” insert “, 714.025, 714.035, 714.049, 714.054, 714.059, 714.064,
16 714.095”.

17 In line 38, after “713.990” insert “, 714.025, 714.035, 714.049, 714.054, 714.059, 714.064, 714.095”.

18 On page 51, line 9, after “713.990” insert “, 714.025, 714.035, 714.049, 714.054, 714.059, 714.064,
19 714.095”.

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