



## **WRITTEN TESTIMONY OF RACHEL PROSS**

**Submitted to the**

**OREGON STATE LEGISLATURE**

**Opposing**

**SB781 - Relating to the Acquisition of Bank Assets by a Credit Union**

**April 28, 2025**

### **Introductory Statement**

Chair Meek and Members of the Committee, my name is Rachel Pross, and I am the Chief Operations Officer of Maps Credit Union—headquartered right here in Salem. I am writing to express my strong opposition to SB781, which proposes that, when a bank sells its assets to a credit union, the receipts from the acquired business portfolio are subject to the corporate excise tax and corporate activity tax.

Below is certain background information about Maps Credit Union (“Maps”) and its proposed transaction (the “Proposed Transaction”) with Lewis & Clark Bank (“Lewis & Clark”), and the reasons why SB781 does not benefit the public interests of our local communities.

### **Background**

Founded in 1935 as an educators’ credit union, Maps is an Oregon-chartered financial institution with approximately 80,000 members and ten full-service branches serving Oregon’s Mid-Willamette Valley region. Maps sustains healthy profitability and a constant mission-based focus of Giveback to our three constituencies: our members, our employees, and our local communities.



- **Member Giveback** - Maps remains one of approximately fifty credit unions in the United States that provides a periodic dividend to members and an ongoing rewards program for membership based on the organization's financial performance. New taxation could reduce or eliminate such programs for Maps' members.
- **Employee Giveback** – Each year, Maps profit shares a percentage of net income with our employees at every level of the organization based on the financial performance of the Credit Union.
- **Community Giveback** – Each year, through the strong financial performance of the Credit Union, Maps distributes nearly \$1.3 million to the Maps Community Foundation for the benefit of the communities in our service area. This impacts local teachers, nonprofits, and more.

Founded in 2006 in Oregon City, Lewis & Clark is an Oregon-chartered financial institution primarily serving small businesses in Oregon City, Seaside, and Astoria through its three commercial services branches.

Earlier this month, Maps and Lewis & Clark entered into a definitive agreement to join forces, with Maps acquiring Lewis & Clark's assets, liabilities, and customer base. This collaboration will expand Maps' geographic footprint with new branch locations in Oregon, enhance commercial and small business offerings to local communities, and provide even more Oregonians with personalized, professional service— all while providing strong community outreach in areas served by Maps and Lewis & Clark. Lewis & Clark customers will soon have access to a geographic footprint of thirteen



full-service branches and will enjoy not only the full suite of commercial banking products and services they value with Lewis & Clark, but all of Maps' offerings as a regional leader in consumer banking.

For the reasons provided below, SB781 does not benefit the public interest and could harm many Oregonians by restricting access to banking in underserved communities.

- **A tax is already imposed on most credit union-bank transactions, and taxes on credit unions would mean taxes on Oregonians due to our member-owned structure.**

A tax/exit fee will be paid upon the closing of the Proposed Transaction, as Federal and State corporate taxes will be imposed on the transaction equal to the gain on the sale of the assets of Lewis & Clark. As a result, imposing an additional excise tax under SB781 is not necessary and would be excessive. Moreover, from 2012 to 2024, there were 2,499 bank acquisitions by another bank, and only 78 bank sales to a credit union (including only a handful of such sales within Oregon). This is less than 3% of total bank acquisitions. Consequently, SB781 will not help bring in significant new tax revenue to Oregon. Rather, it will make it harder for credit unions to serve the public and will make it more challenging for banks to find a much-needed exit plan with a local, community-based institution.

Additionally, imposing a new tax on credit unions only takes money from the pockets of credit union member-owners: Oregon consumers and small businesses. This would mean reducing credit union earnings that are reinvested into more attractive loan and deposit rates, fewer fees, and Giveback programs for the benefit of the members we proudly serve.



- **SB781 significantly increases the likelihood that Oregon banks who decide to sell may instead merge with an out-of-state bank that will not keep assets, branches, and employees local.**

Unlike a merger by an Oregon bank with an out-of-state bank, the Proposed Transaction allows for Lewis & Clark’s assets to remain in Oregon with Maps— an Oregon-chartered financial institution that is regulated by the Oregon Division of Financial Regulation. This will fuel the local economy by keeping Oregon business right where it belongs— in Oregon. Keeping Lewis & Clark in Oregon also benefits the local economy through increased tax revenues paid by Maps through employer taxes and property taxes.

Maps Credit plans to retain nearly every Lewis & Clark employee, which will help ensure that Lewis & Clark customers experience no disruption to their interactions with the trusted, dedicated professionals with whom they’re used to working. Unlike many bank mergers in which many overlapping bank employees lose their jobs, Maps has been committed from the start to welcoming Lewis & Clark employees into the organization.

- **SB781 goes against Oregon’s values.**

Oregon has always supported local, community-based solutions, and credit unions such as Maps are part of that tradition. In that regard, Maps is a low-income designated credit union, meaning the majority of Maps’ members live at 80% or lower than the area median income. As a result, the Proposed Transaction will increase the level of lending and other services available to financially disadvantaged consumers in the geographic areas served by both Maps and Lewis & Clark.



Furthermore, Maps' desire to partner with Lewis & Clark is not simply to expand— but rather to invest in Oregon communities served by Lewis & Clark by leveraging Lewis & Clark's commercial lending expertise, so complimentary products and services offered by both institutions can be fully provided to consumers and local businesses. This will provide more access to banking for low-income consumers through higher lending limits, enhanced and more diverse financial products, and the convenience of more branch locations.

SB781 only establishes barriers to access financial services, particularly in low-income communities, instead of helping credit unions support more Oregonians and the communities in which they live and work. It simply doesn't make sense.

### **Conclusion**

In summary, we respectfully believe that for the reasons noted above, there is no public benefit to SB781, as there are no clear benefits from this bill that would bolster the local economy or generate significant new tax revenue for Oregon. Rather, it is more likely that SB781 would cause bank assets, branches, and customers to exit the local Oregon economy, resulting in fewer services available, higher fees, less favorable loan and deposit rates, and less access to credit for low and moderate-income communities. **Please vote no on SB781.**

Thank you very much for your time and consideration.