Division of Financial Regulation

Department of Consumer and Business Services

RAC Rulemaking Memo

Date: 6/16/2026

To: Rules Advisory Committee

From: Lauren E. Winters Senior Policy Advisor

Subject: Implementation HB 4052, Eligibility *De Novo* Bank Tax Credit

What Rulemaking Does

The rulemaking incorporates the bank charter provisions contained in ORS chapter 707.

- ORS 707.005 states: “It is unlawful for any person to engage in or transact a banking or trust business within this state except by means of an entity duly organized for the purpose.”
- ORS 707.010 prohibits a person that has not received a charter or certificate of authority to conduct banking business may not advertise that the person is receiving or accepting money on deposit; use a

sign at the person's place of business that indicates that the person is authorized to engage in the business of banking; or transaction business under any name that the director determines leads the public to believe that the person is transacting business as a banking institution or that the person is affiliated with a banking institution.

- ORS 706.005(6)(a) defines the "business of banking" as "a regular business of receiving or accepting money or the equivalent of money on deposit, whether the deposit is made subject to check or is evidenced by a certificate of deposit, a pass book or other writing or evidence."

- ORS 707.160(1) prohibits a banking institution from transacting any business, except as is incidental or necessary to its organization, until it has received its charter from the Director of the Department of Consumer and Business Services.

- ORS 707.050 requires Oregon banks and trust companies to have at least $1.5 million in initial paid in capital, which can be paid in cash or real property subject to approval by the director, when the Division issues the charter unless it is determined that a lesser or greater amount is required.

Statement Identifying How Adoption Will Affect Racial Equity in Oregon

What are the racial equity impacts of this particular rule(s), policy, or decision?

What, if any, are the unintended consequences of the rule; and, if any, are there strategies to mitigate the unintended consequences?

Fiscal and Economic Impact

Would the rule have a fiscal or economic impact on state agencies, local government units, nor the public?

Cost of Compliance for Small Businesses

(a) Estimate the number and type of small businesses subject to the rule(s).

(b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s).

(c) Estimate the cost of professional services, equipment supplies, labor and increased administration required

(d) How were small businesses involved in the development of the rule?