NOTICE OF PROPOSED RULEMAKING

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 441

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

FINANCE AND SECURITIES REGULATION

FILED: 08/17/2026 1:58 PM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: De Novo Tax Credit for Oregon Banks

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/22/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Karen Winkel
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/15/2026
TIME: 10:00 AM
OFFICER: Lauren Winters

REMOTE HEARING DETAILS
MEETING URL: Click here to join the meeting
PHONE NUMBER: 503-446-4951
CONFERENCE ID: 572114927
SPECIAL INSTRUCTIONS:
This is a virtual meeting via Microsoft Teams:

Meeting ID: 251 116 401 689 955
Passcode: 9Me7oy2H

NEED FOR THE RULE(S):

HB 4052 requires the Division of Financial Regulation (DFR), on behalf of the director of the Department of Consumer and Business Services (DCBS) to adopt rules that verify that de novo banks are eligible for the taxpayer credits contained in the bill and are required to provide that information to the Oregon Department of Revenue (DOR). Generally, de novo banks must satisfy the chartering requirements contained in Oregon Revised Statutes (ORS) chapter 707. The proposed rules would incorporate the basic requirements to form a de novo bank so that the division can inform DOR that the bank has received an Oregon charter to conduct banking business.

Oregon chartered banks play a critical role in the state's economy by channeling funds from savers to borrowers, which in turn facilitates economic growth. Among other things, Oregon chartered banks provide loans to farms and small businesses, help individuals finance purchases of cars and homes, and offer services such as checking and savings accounts, debit cards, and access to automated teller machines. Oregon banks operating in the state have the option of choosing a federal or out-of-state charter when making the decision to offer their financial services in Oregon. An Oregon charter means that banking and financial operations affecting Oregon businesses and consumers can often be made at the state level rather than at the national level or by an out-of-state regulator with little or no experience with issues affecting Oregonians.

Oregon chartered banks are critical to the communities in which they operate and provide significant employment opportunities for Oregonians. For these reasons, it is important to ensure that Oregon state-chartered banks are not at a competitive disadvantage vis-à-vis other financial institutions operating in the state.

The division's commitment to the maintenance of sound Oregon chartered financial institutions and the public's confidence in them is of vital importance to the state's economy and has helped to make an Oregon charter the charter of choice for community banks and credit unions. In support of the DCBS mission, the division embraces the equitable treatment of its regulated banks and credit unions while it endeavors to maintain the highest ethical and professional standards as well as a competitive marketplace.

The division will respond to the Oregon Department of Revenue within 30 days of when the Department of Revenue requests evidence of both the authority to conduct banking business in Oregon and the commencement of banking business. The division will send a copy of the de novo bank charter, together with a letter certifying that the de novo bank has satisfied the bank charter provisions contained in ORS chapter 707 and, pursuant to ORS 717.170, the de novo bank is authorized to commenced banking business in Oregon.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Draft rules are available from Karen Winkel, Rules Coordinator, Division of Financial Regulation located at 350 Winter St. NE, Salem, OR 97301 and are available on the division's website: https://dfr.oregon.gov/laws-rules/Pages/proposed-rules.aspx.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

The adoption of the proposed rule does not have a direct impact on racial equity; however, the proposed rule implements HB 4052 that may a positive impact on racial equity in Oregon. The proposed rule requires the department to notify the Oregon Department of Revenue (DOR) that the de novo banking institution is eligible for the tax credits provided under the bill. The proposed rule is therefore likely to advance the state's policy of racial equity by encouraging new community banks that are locally controlled, locally governed, and responsive to the needs of Oregon communities, including underserved and underrepresented populations. These features are relevant to the state's racial equity because communities that have historically been underserved and underrepresented in financial services may benefit from banks that make decisions locally, build direct customer relationships, and tailor banking products and services to community needs.

The division does not identify any negative racial equity impacts from adoption of the proposed rule. It does not appear to create new barriers to entry beyond the existing statutory requirements for chartering and conducting the business of banking in Oregon. Any unintended consequences should be mitigated by continued application of the Oregon bank chartering standards, including requirements that a banking institution receive a charter before transacting banking business and maintain the required initial paid-in capital unless the director determines that a different amount is required.

FISCAL AND ECONOMIC IMPACT:

Based on information currently available to the department, the proposed rule would not have a fiscal or economic impact on state agencies, local government units, nor the public. The proposed rule does not add any new requirements on public entities. The proposed rule is unlikely to have a fiscal impact on the department because it does not increase its administrative costs.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on 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 to comply with the rule(s).

(1) Based on information currently available to the department, the proposed rule would not have a fiscal or economic impact on state agencies, local government units, nor the public. The proposed rule does not add any new requirements on public entities. The proposed rule is unlikely to have a fiscal impact on the department because it does not increase its administrative costs.

(2)(a) As of August 6, 2026, there are no banking institutions with less than 50 employees who would be subject to the proposed rule, and there are no applications from anyone desiring to organize a banking institution with less than 50 employees.

(2)(b) Currently, there are no applications to organize a banking institution with less than 50 employees; as such, the department is unable to determine what, if any, recordkeeping and administrative activities and cost would be needed to comply with the proposed rule other than the application a fee of $2,500 contained in ORS 707.070.

(2)(c) Because there are no applications pending to organize a banking institution with less than 50 employees, the department is unable to determine the cost of professional services, equipment supplies, or labor to comply with the proposed rule. The proposed rule would not cause an increase in administration.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Oregon Bankers Association, which represents banking federal and state banking institutions, together with representatives from Oregon chartered banks and other interested parties such as Tax Fairness Oregon participated in the development of the rule.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

ADOPT: 441-505-5000

RULE SUMMARY: Adopting rule that DFR will respond within 30 days of when DOR requests evidence of both the authority to conduct banking business in Oregon and the commencement of banking business.

CHANGES TO RULE:

<u>441-505-5000</u>
<u>De Novo Tax Credit Certification</u>
<u>The Division of Financial Regulation, on behalf of the director of the Department of Consumer and Business Services, will respond to the Oregon Department of Revenue within 30 days of when the Department of Revenue requests evidence of both the authority to conduct banking business in Oregon and the commencement of banking business. The director will send a copy of the de novo bank charter together with a letter certifying that the de novo bank has satisfied the bank charter provisions contained in ORS chapter 707 and, pursuant to ORS 717.170, the de novo bank is authorized to commence banking business in Oregon.</u>
<u>Statutory/Other Authority: HB 4505 (2026), ORS 706.790</u>
<u>Statutes/Other Implemented: HB 4505 (2026), ORS 706.790</u>