

Oregon Revised Statutes

295.004 Conditions for deposit of funds in excess of specified amounts.

[text omitted]

(2) A public official may deposit public funds in a bank depository in an amount in excess of the amount allowed in ORS 295.002 without requiring the bank depository to show that it has entered into a pledge agreement or deposited securities pursuant to ORS 295.015 (1) if the funds are initially deposited into a bank depository in Oregon and the Oregon bank depository participates in a program that meets the following conditions:

(a) On or after the date that the funds are received, the Oregon bank depository:

(A) Arranges for the redeposit of the funds into one or more insured deposit accounts in other financial institutions in the United States; and

(B) Administers the funds on behalf of the public official;

(b) The full amount of the funds redeposited by the Oregon bank depository into deposit accounts in other financial institutions, together with any interest accrued on deposited funds, is insured by the Federal Deposit Insurance Corporation; and

(c) On the same date that the funds are redeposited under this subsection, the Oregon bank depository receives an amount of deposits from customers of other financial institutions that are at least equal to the amount of the funds redeposited by the Oregon bank depository.¹

(3) Until the Oregon bank depository places public funds into one or more certificates of deposit or time deposits as provided in subsection (1) of this section or places public funds into insured deposit accounts as provided in subsection (2) of this section, any uninsured public funds held by the Oregon bank depository pending such placement must be collateralized as provided in ORS 295.001 to 295.108 for other uninsured public funds deposits.

(4)(a) The provisions of ORS 295.006, 295.013, 295.015, 295.018 and 295.037 do not apply to public funds deposits deposited into a bank depository in Oregon that the bank depository arranges for under the provisions of the programs described in subsections (1) and (2) of this section.

(b) The provisions of ORS 294.035 and 295.001 requiring deposit of public funds into depositories that have offices or branches in Oregon do not apply to certificates of deposit or time deposits that an Oregon bank depository arranges for under the provisions of the program described in subsection (1) of this section or to public funds that an Oregon bank depository arranges to deposit into insured deposit accounts under subsection (2) of this section.

**Please note that related provisions of the Oregon Revised Statutes (cited above) exist in the following sections:*

¹ Highlight added editorially; participating banks should take note that the rule requires the bank to take reciprocal deposits in order to qualify under these provisions.

- Section 295.046 and Section 295.048

Disclaimer: Neither Reich & Tang nor any of its affiliates provides legal advice. You should consult with your own legal advisor.

Prepared October 2013