
West's Oregon Revised Statutes Annotated

Title 53. Financial Institutions

Chapter 707. Organization to Conduct Banking Business; Stockholders, Directors and Officers

Organization to Conduct Banking Business

(Generally)

O.R.S. § 707.008

707.008. Oregon banks as a municipal corporation

[Currentness](#)

- (1) As an alternative to being organized as a corporation under this chapter, an Oregon bank may be organized as a municipal corporation.
- (2) With respect to any Oregon bank that is organized as a municipal corporation, as used in the Bank Act:
- (a) “Articles of incorporation” means the Oregon bank’s articles of organization, as defined in [ORS 63.001](#).
 - (b) “Bylaws” means the Oregon bank’s operating agreement, as defined in [ORS 63.001](#).
 - (c) “Certificate of incorporation” means a certificate of organization issued to the Oregon bank.
 - (d) “Corporation,” means a municipal corporation as defined in [ORS 536.007 \(7\)](#) as amended.
 - (e) “Director,” “directors” or “board of directors” means the Oregon bank’s manager or managers, as defined in [ORS](#)

63.001.

(f) “Incorporator” means the Oregon bank’s organizer, as defined in [ORS 63.001](#).

(3) An Oregon bank organized as a municipal corporation shall be organized under the authority of the Director of the Department of Consumer and Business Services under this chapter. Except as set forth in subsection (4) of this section, with respect to all other aspects of its operation and existence, an Oregon bank that is organized as a municipal corporation is subject to the provisions of ORS chapter 63, to the extent that ORS chapter 63 does not conflict with the Bank Act. In the event of any conflict between the Bank Act and ORS chapter 63, the Bank Act controls.

(4)(a) Notwithstanding any provision of ORS chapter 63, the articles of organization of an Oregon bank that is organized as a municipal corporation shall:

(A) State that the existence of the Oregon bank is perpetual; and

(B) Provide that the Oregon bank is to be managed by a board of not fewer than five directors who shall be appointed by a majority vote of the municipality’s elected council or governing body. The board shall be an odd number to prevent deadlocks. The board may become self-sustaining after first appointments.

(b) Notwithstanding any provision of ORS chapter 63, an Oregon bank that is organized as a municipal corporation company shall be managed exclusively by its board in substantially the same manner as an Oregon bank that is organized as a corporation is managed by its board of directors. The board of managers of an Oregon bank that is organized as a municipal corporation has substantially the same rights, powers, privileges, duties and responsibilities as the board of directors of an Oregon bank that is organized as a corporation and is subject to the provisions of this chapter pertaining to directors.

(c) [ORS 63.621 \(2\) to \(4\)](#) do not apply to an Oregon bank organized as a municipal corporation.

(5) The articles of organization of an Oregon bank that is organized as a municipal corporation shall require that liquidation of the Oregon bank conform with the requirements of the Bank Act.

(6) An Oregon bank that is organized as a municipal corporation shall have the officers described in [ORS 707.008](#). The officers shall be elected by the board of the bank and are subject to the provisions of this chapter.

(7) Each Oregon bank that is organized as a municipal corporation shall have a written bylaws containing any provisions for the affairs of the Oregon bank as may be agreed upon by its members and that are consistent with the Bank Act. The bylaws and the articles of incorporation shall also explicitly state that the bank is to be operated for the good of the public and must have its principal place of business in the municipality or one of the municipalities it was established by.

(8) Any number of persons, not fewer than five, may act as organizers of an Oregon bank that is organized as a municipal corporation if authorized by a local municipality of the state.

Credits

[Laws 2005, c. 134, § 2](#).

O. R. S. § 707.008, OR ST § 707.008

Current through laws enacted in the 2019 Regular Session and 2019 Special Session of the 80th Legislative Assembly; ballot measures approved and rejected at the Nov. 6, 2018 general election; and emergency legislation, effective through May 14, 2019, enacted during the 2019 Regular Session of the 80th Legislative Assembly, pending classification of undesignated material and text revision by the Oregon Reviser. See ORS 173.160. Non-legislative changes made by the Legislative Counsel Committee, consisting of codifications, renumbers, and other non-legislative revisions, have been incorporated.

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