



Capitol Comments | December 20, 2018

Legislative Leadership Selected as 2019 Session Draws Closer

With the opening gavel of the 2019 legislative session now less than one month away, more details about what the session will look like are beginning to take shape. Although bills will not begin to be introduced until the week of January 14, we now know who will lead each of the four caucus' during the session.

Democrats who hold a 38 to 22 supermajority in the House of Representatives will continue to be led by Speaker of the House Tina Kotek (D-Portland) and House Majority Leader Jennifer Williamson (D-Portland). House Republicans changed their leadership team. Representative Mike McLane (R-Powell Butte) choose not to seek another term as leader. In his place, Republicans selected Rep. Carl Wilson (R-Grants Pass).

A similar approach was taken in the Oregon Senate. Democrats, who hold an 18 to 12 supermajority, re-elected Senate President Peter Courtney (D-Salem) to serve another record-setting term as senate president. Senator Ginny Burdick (D-Portland) will continue as Senate Majority Leader. Senate Republicans, like their counterparts in the House, selected new leadership. Senator Jackie Winters (R-Republican) choose not to run for Republican leader in 2019, paving the way for the election of Senator Herman Baertschiger (R-Grants Pass) to serve as leader. OBA looks forward to working with all four leadership teams during the upcoming session.

OBA continues to prepare for what will likely be a challenging 2019 session. It is expected that more than 3,000 bills will be introduced. OBA's government relations team and policy committees will closely review bills as they are introduced. We anticipate a variety of topics, including tax-related measures, cap-and-trade legislation, and potential employer mandates, to name just a few. OBA will also be advancing its proactive legislative agenda.

If you have any questions about the upcoming 2019 session, please contact Kevin Christiansen at (503) 576-4123 or kchristiansen@oregonbankers.com.

Regulatory Matters: OBA Files Comment Letter on CRA ANPR

In November, OBA filed a comment letter on the OCC's Advanced Notice of Proposed Rulemaking (ANPR) concerning Community Reinvestment Act (CRA) reform. A copy of OBA's comment letter can be viewed by [clicking here](#). The ANPR sought input from banks and other interested parties on ways to modernize the CRA. OBA, utilizing feedback provided by its member banks, highlighted a variety of concerns about CRA and issues that need to be updated to reflect banking realities in the 21st century. While a formal rule was not proposed as part of the ANPR, we anticipate that later next year formal rulemaking may take place. When that occurs, bankers will again have an opportunity to comment on proposed rule changes to CRA. Thanks to all the bankers who provided feedback.

.... In Other Regulatory News

Banking agencies [issued a proposal](#) that would raise the appraisal threshold for residential real estate transactions from \$250,000 to \$400,000. Under this proposal, transactions that qualify for the exemption would still need to obtain an evaluation, but it doesn't need to be from a state-licensed appraiser. In addition, the proposal incorporates an exemption for rural residential appraisals that was mandated by S. 2155. OBA has been vocal in expressing concerns about the time and cost in obtaining appraisals, especially in rural Oregon. Comments are due February 5, 2019.

Banking agencies also [issued a proposal](#) that would simplify regulatory capital requirements for qualifying community banks, as required by S. 2155. Under the proposal, a community bank could elect the proposed leverage ratio framework if it has less than \$10 billion in total consolidated assets, limited amounts of certain assets and off-balance sheet exposures, and a community bank leverage ratio greater than 9 percent. This framework would automatically qualify eligible banks under Basel III. The regulators were considering a threshold between 8 and 10 percent. Comments are due on or about January 20, 2019.

OBA will likely comment on both of these rulemakings, but we need your feedback and perspectives on these proposals. Please forward your comment letters to OBA when you file them with the bank agencies. You can send copies of your letters to Kevin Christiansen at or kchristiansen@oregonbankers.com or Linda Navarro at lnavarro@oregonbankers.com.

Bankers Day Set for March 19

Mark your calendars for OBA's Bankers Day at the Oregon Capitol, taking place March 19, 2019. Bankers at all levels – as well as bank directors – are encouraged to participate in this important event, which will showcase Oregon banking and how our industry invests in the communities it serves. Questions about Bankers Day can be directed to Laura Berry at (503) 581-3522 or lberry@oregonbankers.com.

Take Advantage of Oregon's Political Tax Credit

We'd like to thank all who gave to Oregon BankPAC during the recently completed 2018 election cycle. We not only met, but exceeded expectation, reaching 105.2% of our goal.

For those of you who have not contributed, it's not too late to do so (or, in our case, too early to begin preparing for 2020). If you contribute to BankPAC by the end of the year, you may be eligible to take advantage of Oregon's Political Tax Credit for 2018. To make a personal contribution, [click here](#).

Capitol Comments Getting A Facelift

As mentioned in November, Capitol Comments will be getting a much-needed update and modernization beginning in 2019. We look forward to launching our rebranded Capitol Comments the first day of session, January 14, 2019. If you have any suggestions for improving *Capitol Comments*, please Kevin Christiansen at (503) 576-4123 or kchristiansen@oregonbankers.com.

Capital Comments is OBA's electronic publication focused on state and federal legislative and regulatory news and issues impacting Oregon banks. These bulletins are issued periodically during the year to apprise members of federal and state issues.

Please note this bulletin contains confidential, industry-oriented information and viewpoints, so it is considered a "members only" publication for Oregon bankers. Feel free to share the information contained in these bulletins with others in your bank, but we ask that you not distribute it to outside parties.



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