BANNER CORP Form 4 July 05, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box subject to

if no longer Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1(b).

(Last)

(City)

1.Title of

Security

(Instr. 3)

1. Name and Address of Reporting Person * **BARTON RICHARD B**

(First)

10 SOUTH FIRST AVE.

WALLA WALLA, WA 99362

(State)

(Month/Day/Year)

2. Issuer Name and Ticker or Trading

(Middle)

(Zip)

2. Transaction Date 2A. Deemed

Symbol

BANNER CORP [BANR]

3. Date of Earliest Transaction (Month/Day/Year)

07/01/2006

(Street) 4. If Amendment, Date Original Filed(Month/Day/Year)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

3. 4. Securities Execution Date, if TransactionAcquired (A) or Code Disposed of (D) (Month/Day/Year) (Instr. 8)

(Instr. 3, 4 and 5)

Reported (A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Pric
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction of Derivative		Expiration Date	Underlying Securities	Deriva
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	Securi

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January 31,

2005

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Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

6. Individual or Joint/Group Filing(Check

6. Ownership

Form: Direct

(D) or Indirect Beneficial

X Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

(Check all applicable)

below) Executive V.P., Banner Bank

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

Indirect

Issuer

below)

Person

5. Amount of

Securities

Owned

Beneficially

Following

Director

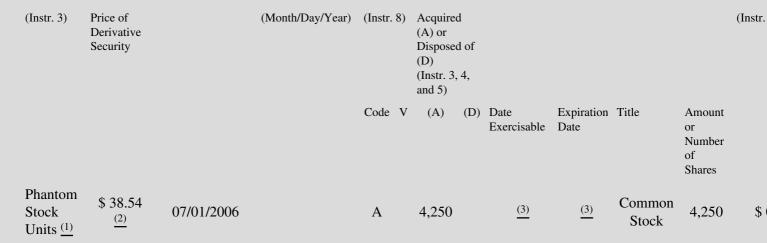
Applicable Line)

X_ Officer (give title

Estimated average

burden hours per

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

BARTON RICHARD B 10 SOUTH FIRST AVE. WALLA WALLA, WA 99362

Executive V.P., Banner Bank

Signatures

/s/Richard B. 07/03/2006 Barton

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Award of phantom stock units under the Banner Corporation Long-Term Incentive Plan.
- (2) Market price on July 1, 2006. Upon vesting, phantom stock units settle in cash at the value in excess of the value as of the grant date, plus dividends.
- (3) Award vests on July 1, 2011. Each unit will be settled on the officer's separation from service, at a specified time or upon 60 months of continuous service, as determined by the officer.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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