

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** SB 684                      **STATUS:** A-Engrossed  
**SUBJECT:** Requires permit to conduct a going out of business sale.  
**GOVERNMENT UNIT AFFECTED:** Secretary of State  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Daron Hill  
**DATE:** May 7, 2007

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	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
<b>EXPENDITURES:</b>		
Services and Supplies – Other Funds	\$ 25,000	\$ 25,000
	<u><b>2007-2009</b></u>	<u><b>2009-2011</b></u>
<b>REVENUES:</b>		
Permit Fees – Other Funds	\$ 25,000	\$ 25,000

**EFFECTIVE DATE:** On passage.

**GOVERNOR’S BUDGET:** This bill is not anticipated by the Governor’s recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** The bill requires a permit with the Secretary of State to conduct a going out of business sale; requires rulemaking by the Secretary of State; allows the Secretary of State to charge a fee not to exceed the costs of administering bill provisions; and, makes violations an unlawful trade practice with Attorney General Enforcement and a private right of action.

The Secretary of State intends to implement the bill within the existing Business Registration process by creating a special amendment permit form—Notice of Permit for Going Out of Business—that subject businesses will file, and post publicly at their place of business. The Agency anticipates receiving \$25,000 in Other Fund fee revenue for going out of business permits. This assumes charging a \$50 fee for the permit, and receiving 500 requests per biennium. Expenditures include rulemaking, permit processing and professional service fees. The Agency indicates that rulemaking and permit processing activities can be assumed with existing resources, and related information technology professional service fees to modify the business registry database could be covered with revenues raise by permit fees.

The Agency will adopt rules to define the permitting process that will also require that all businesses applying for a going out of business permit be a business of record with the Secretary of State. The agency has added this requirement as they believe this is a standard operating process for other permit and licensing agencies. The Agency expects that most business that apply for a going out of business permit will already be a business of record.