

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: Bonamici, Boquist, Dingfelder, Prozanski
Nays: 0
Exc.: Whitsett
Prepared By: Anna Braun, Counsel
Meeting Dates: 4/30, 5/11

WHAT THE MEASURE DOES: Allows parent company that owns 90 percent of the shares to notify shareholders no later than 10 days after merger occurs rather than 30 days before. Applies to mergers consummated on or after the effective date.

ISSUES DISCUSSED:

- Need for change
- Process for determining share valuation
- Ability of shareholders to file court action

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Currently, ORS 60.491(2)(c) and ORS 60.491(3)(c) prohibit a parent corporation from filing articles of merger with the Secretary of State to effect the merger until at least 30 days after the date the parent mails a copy or summary of the plan of merger to each subsidiary shareholder. HB 2304 conforms ORS 60.491 to the Model Business Corporations Act by allowing notice to be given 10 days after the merger.