

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass the A-Engrossed Measure
Vote: 4 - 0 - 1
Yeas: Bonamici, Boquist, Dingfelder, Prozanski
Nays: 0
Exc.: Whitsett
Prepared By: Anna Braun, Counsel
Meeting Dates: 3/3, 5/11

WHAT THE MEASURE DOES: Limits authority of shareholders of a publicly traded corporations to call a special meeting. Defines publicly traded corporation. Applies to special meetings on or after effective date.

ISSUES DISCUSSED:

- Process for amending bylaws
- Similarity to Delaware
- Annual meeting and lawsuits for addressing corporate malfeasance
- Divergence from Model Corporation Act

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 60.204 currently requires an Oregon corporation, whether public or private, to hold a special meeting if demanded by at least 10 percent of the voting shares of the corporation. A corporation's Articles of Incorporation may fix a different percentage but not over 25 percent. Special meetings are expensive for public companies. The ability to call or threaten to call a special meeting of shareholders is a tool used by some out-of-state investors to generate interest in a stock and take a short term gain. HB 2353 A limits the ability to call a special meeting to situations authorized by the articles of incorporation or bylaws. HB 2353 A only applies to public corporations.