

House Bill 2148

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows transfer of liability to and assessment of liability against reorganized business entity where predecessor entity owed debt to state agency. Provides for appeal of assessment by reorganized business entity.

A BILL FOR AN ACT

1
2 Relating to reorganized business organization liability.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 293.227 to**
5 **293.233.**

6 **SECTION 2. (1) As used in this section, "reorganized business entity" means a business**
7 **entity that, while operating substantially the same business, has been converted to a differ-**
8 **ent form of business entity or has changed ownership from that of its predecessor entity,**
9 **except that a business entity is not a "reorganized business entity" solely because of a**
10 **transfer of assets or because of a transfer of an interest of an investor who has no right to**
11 **manage the business entity, including, but not limited to, the interest of:**

12 (a) A person that is solely a minority shareholder in a corporation;

13 (b) A member of a manager-managed limited liability company; and

14 (c) A limited partner of a limited partnership that does not participate in the control of
15 the business of the limited partnership.

16 (2) For any amounts owed by an entity to a state agency, the state agency may transfer
17 those amounts to and assess those amounts against a reorganized business entity.

18 (3) For the purposes of this section, factors the state agency may consider when deter-
19 mining if a business entity is operating substantially the same business as the entity owing
20 the debt include, but are not limited to, whether the business entity:

21 (a) Operates from the same physical location as did the entity owing the debt.

22 (b) Provides the same services or manufactures the same products as did the entity ow-
23 ing the debt.

24 (c) Has one or more of the same:

25 (A) Corporate directors or officers as did the entity owing the debt.

26 (B) Owners or holders of a direct or indirect interest in the entity as did the entity owing
27 the debt.

28 (4) A reorganized business entity against which an amount is assessed under this section
29 may appeal the assessment by filing a request for a hearing within 30 days of mailing of a
30 written notice of assessment to the last-known address of the reorganized business entity

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 on record with the state agency. The state agency shall conduct a hearing as prescribed by
2 agency policy. Agencies exempt from the requirement to use administrative law judges as-
3 signed by the Office of Administrative Hearings to conduct hearings under ORS 183.635 may
4 use administrative law judges assigned by the Office of Administrative Hearings to conduct
5 hearings under this subsection.

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