

REVENUE: Minimal revenue impact, no statement issued

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 1

Yeas: Atkinson, Burdick, Edwards, Girod, Beyer

Nays: 0

Exc.: Starr

Prepared By: Richard Berger, Administrator

Meeting Dates: 4/26, 5/3

WHAT THE MEASURE DOES: Clarifies that a business entity may file an application to convert into another business entity. Permits a foreign business entity that does not intend to transact business in Oregon to not file an application. Requires a foreign business entity to submit a certificate of existence or similar document with an application to transact business in Oregon, unless the official who has custody of the business's entity records in the state or country where the business has registered or incorporated permits free access to a searchable database that has evidence of the business entity's existence. Allows a business entity to update information required or permitted in annual report at any time under specified conditions. Permits a business entity to submit at any time an application to amend its assumed business name. Permits a business entity to apply, within five years of the date of cancellation, to reactivate assumed business name that the Secretary of State administratively canceled. Specifies requirements for such application. Permits an applicant to appeal the Secretary of State's denial of application. Allows a dissolved corporation to adopt a merger plan. Allows the Secretary of State to waive the requirement that a limited liability company, limited liability partnership, limited partnership, corporation, or business trust apply for reinstatement within five years after dissolution if the company shows it continued existence as an active concern. Establishes an operative date of January 1, 2012. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Streamlining corporate paperwork
- Allowing corporations to more easily incorporate in Oregon after being incorporated in another state
- Companies administratively dissolved due to change of address or paperwork error
- Issues with affordable housing partnerships being dissolved before period of affordability completed

EFFECT OF COMMITTEE AMENDMENT: Allows a dissolved corporation to adopt a merger plan. Allows the Secretary of State to waive the requirement that a limited liability company, limited liability partnership, limited partnership, corporation, or business trust apply for reinstatement within five years after dissolution if the company shows it continued existence as an active concern.

BACKGROUND: The Corporation Division of the Oregon Secretary of State is responsible for the administration of business filings, such as corporation and other business entities, and those that are related to the Uniform Commercial Code, as well as operating the state's notaries public system. House Bill 2254 A makes a number of changes to statutes regarding business registrations for the purposes of streamlining the state's business registration processes and requirements, removing barriers for business, and aligning procedures to today's business practices, such as advances in technology and the Internet.

House Bill 2254 A also allows a business to more easily update registration information during its first year of existence, and provides small businesses that register just an assumed business name with the same process to reactivate an inactive business name registration as businesses that are registered as corporations or limited liability companies.

5/10/2011 8:33:00 AM

This summary has not been adopted or officially endorsed by action of the committee.