

REVENUE: Minimal revenue impact, no statement issued

FISCAL: No fiscal impact

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	8 - 0 - 0
Yeas:	Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/11, 2/16

WHAT THE MEASURE DOES: Clarifies that a business entity can 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. Establishes an operative date of January 1, 2012. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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 House Bill 2254 makes a number of changes to outdated statutes regarding business registrations for the purposes of streamlining the state's business registration processes and requirements, removing barriers for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.

Each of the measure's provisions was requested by members of the business community. Examples of the statutory changes include allowing registrations to be updated with the required annual report information at any time, replacing the federal Standard Industrial Classification (SIC) code in annual reports with a plain language description of the business's primary activity, and allowing for electronic verification of an out-of-state business entity's existence, in place of a paper certificate.

House Bill 2254 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 (LLCs). The measure also streamlines statutes which authorize the conversion of a corporation into or out of Oregon.

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