

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	8 - 2 - 1
<b>Yeas:</b>	Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Doherty
<b>Nays:</b>	Barton, Witt
<b>Exc.:</b>	Freeman
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	2/21, 2/24

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**WHAT THE MEASURE DOES:** Exempts from registration requirements those securities issued by renewable energy cooperative corporations to members of the cooperative corporations as evidence of membership, or to show members' respective interests in assets, reserves or patronage dividends. Becomes operative October 1, 2014. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Existing exemptions for fishing, grocery, and agricultural cooperatives
- Cost of registering securities
- Existing authority of Department of Consumer and Business Services to exempt through rulemaking
- Consumer/investor protections
- Importance of having sideboards in place through administrative rule before statutory exemption occurs
- Role of Energy Trust and Public Utilities Commission

**EFFECT OF COMMITTEE AMENDMENT:** Moves operative date of exemption from July 1, 2014, to October 1, 2014. Specifies that exemption is subject to conditions set through administrative rule by Director of Department of Consumer and Business Services.

**BACKGROUND:** A renewable energy cooperative corporation is formed by an autonomous association of people to voluntarily meet their common need or desire to pool investments and benefits for renewable energy development. Like all cooperatives, they are generally identified by principles such as voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. ORS chapter 62 specifies requirements governing the organization and membership of cooperatives. Members of the cooperatives may be issued stock or certificates signifying that they are a member of the cooperative and, in some cases, their respective interests and entitlements as members of the cooperative.

Senate Bill 1520-B specifies that securities issued by renewable energy cooperative corporations to members of the cooperative are exempt from registration under ORS 59.049 and ORS 59.055 (registration as condition and offer for sale of securities).