

Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

MEASURE: HB 2330 A
CARRIER: Sen. Girod

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 03/23/15

Action: Do Pass With Amendments. (Printed A-Eng.)

Meeting Dates: 03/23

Vote:

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Allows converting business entities, limited liability corporations, nonprofit corporations and cooperative corporations to file written declaration stating location where plan of conversion is on file and stating that converting entity will provide any owner with a copy of the plan upon request and without cost in lieu of submitting plans to Secretary of State (SOS). Modifies documents required to be filed with SOS upon approval of plan to merge or share exchange. Requires written notice of dissenters' rights be delivered to all shareholders entitled to notice when corporate action creating dissenters' rights is authorized by written consent without meeting.

ISSUES DISCUSSED:

- The need for consistency across all business statutes
- Inadvertent absence of cooperative corporations in original measure

EFFECT OF COMMITTEE AMENDMENT:

Adds provisions to mergers and conversions for cooperative corporations similar to mergers and conversions for other types of business entities.

BACKGROUND:

The Oregon SOS's Corporations Division is responsible for registering and supporting businesses in Oregon. The Division is responsible for registering limited liability companies, business corporations, and nonprofit corporations. Oregon business entities of all types are required to file certain documents with the Division, including articles of merger, share exchange, or conversion. Plans for these actions are also required to be filed, but may contain confidential information or otherwise not be available for public view. Additionally, the articles of incorporation for a business entity may include an option to take action on less than unanimous written consent of all shareholders. A member who does not consent to the action has the same rights as those who oppose the action at a meeting. However, there is no method for notice to be delivered to members who are dissenting via writing.

House Bill 2330A allows business entities to file a declaration with the SOS in lieu of plans for merger and gives dissenters' rights notice to shareholders who dissent via writing.