

Jubilee Oregon Letter of Support for HB 2191, March 6, 2017

Jubilee Oregon supports HB 2191, with minor modifications. Jubilee Oregon is an inter-faith-based chapter of Jubilee USA Network. Jubilee Oregon represents 10 Jubilee congregations including approximately 4,000 people dedicated to promoting economic justice, including tax justice, as a moral and ethical imperative. Our parent organization, Jubilee USA, is an alliance of 75 national organizations, including the Financial Accountability and Corporate Transparency (FACT) Coalition, and 550 faith communities working to build a more inclusive global economy.

Jubilee Oregon supports HB 2191 in order to stop further abuse of Oregon's business incorporation system that does not require beneficial ownership to be declared by businesses and limited liability companies (LLCs). Following the 2016 Panama Papers scandal, Oregon was identified as one of four U.S. states having the most shell companies. And a *Portland Business Journal* article revealed 1,300 shell companies engaged in corrupt activities using one Aloha, Oregon address. Until and unless Oregon legislation, like HB 2191, is enacted, U.S. and foreign drug and sex traffickers, arms dealers, terrorists, tax evaders, and corrupt individuals and foreign officials will continue to drain billions of dollars from the economy. Additional Oregon revenue from implementation of HB 2191 will ensure stronger economic health and growth, bolster public services, and protect legitimate businesses operating in Oregon.

The long overdue HB 2191 is a strong bill that posits collaboration for implementation and enforcement by the Oregon Secretary of State (SOS), the Oregon Department of Revenue (DOR) and the Oregon Attorney General (AG). As written, the SOS will be in charge of licensing that requires listing of beneficial owners and street address or tax return, monitoring, and accountability. The DOR will have enforcement powers for compliance with Oregon's tax laws. The AG will have legal enforcement power to seek judicial dissolution of shell companies and shareholder remedies. HB 2191 will also help Oregon law enforcement do its job, and will likely encourage legitimate companies to incorporate in Oregon.

Jubilee Oregon supports HB 2191 with the following minor suggestions made by the Jubilee USA's partner, the FACT Coalition, detailed in a letter to Jubilee Oregon's partner organizations, OSPIRG and Oregon Main Street Alliance dated February 27, 2017:

1) Use the same language for companies and LLCs, 2) require a list of beneficial owners, period, 3) eliminate the tax return requirement altogether and require beneficial ownership, street address and related information so that all businesses and LLCs operating in Oregon can be authenticated, monitored, and shut down if corrupt, and 4) have entities submit U.S. and foreign beneficial owners.

Jubilee Oregon supports passage of HB 2191, with minor changes detailed above, because it will shut down criminal activity and support legitimate businesses in Oregon. It will increase financial resources and augment Oregon's revenue stream. It will uphold the mission of Jubilee Oregon and Jubilee USA to promote economic justice, including tax justice for all, because it is morally and ethically required.

Jubilee Oregon Steering Committee

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