

**Testimony before the Senate Committee on Judiciary  
In support of HB 2610  
On behalf of the Oregon State Bar Business Law Section  
April 24, 2017**

Senator Prozanski, members of the Committee:

My name is Kenny Haglund and I am an attorney at Lane Powell PC in Portland. I am here today as a member of the Oregon State Bar's Business Law Section and our 1,000 members representing small and large businesses throughout the urban and rural parts of Oregon.

The Oregon Business Corporation Act (the "Act") lacks provisions that adequately address the use of electronic technology by corporations and other persons. HB 2610 addresses this issue.

The proposed amendments in HB 2610 incorporate into the Act terminology and concepts from the Uniform Electronic Transmissions Act ("UETA") and the federal Electronic Signatures in Global and National Commerce Act ("E-Sign"), as we've modified them to conform to Oregon legislative drafting standards. The amendments add new defined terms "document," "electronic notice revocation," "sign," and "written." The amendments are accompanied by changes to the definitions of "conspicuous," "delivery," "electronic transmission," "entity," "share," "shareholder," "signature" and "United States." The objectives of the amendments are to weave UETA and E-Sign concepts into the Act, primarily confining changes to ORS 60.001 and 60.034 and thereby avoiding unnecessary revisions throughout the rest of the Act. The proposed amendments also modify when notice by mail to a director is effective.

The substance of many of the proposed amendments in HB 2610 were adopted into the Model Business Corporation Act in 2009. However, a key distinction is that the proposed amendments make electronic notices permissible as the default rule, subject to certain limitations. ORS 60.034(4)(a) provides that "[e]xcept as provided in paragraph (b) of this subsection, a notice or communication, including a notice of a meeting of a domestic corporation's board of directors or shareholders or a director's or shareholder's written consent, may be delivered by electronic transmission." Paragraph (b) of ORS 60.034(4) limits notice or communication by electronic transmission (a) if prohibited in the articles of incorporation or bylaws, (b) in the event the intended recipient has delivered an electronic notice revocation at least 30 days before such notice or other communication is sent, and (c) when the notice or communication relates to a revocation of dissolution under ORS 60.634.

Thank you for your time, and I'd be happy to answer any questions you might have.