

Requested by HOUSE COMMITTEE ON BUSINESS AND LABOR

**PROPOSED AMENDMENTS TO
HOUSE BILL 2191**

1 On page 1 of the printed bill, delete lines 7 through 13 and delete pages
2 2 through 35 and insert:

3 **“SECTION 1. Sections 2 and 3 of this 2017 Act are added to and
4 made a part of ORS chapter 60.**

5 **“SECTION 2. (1)(a) The Secretary of State may investigate an al-
6 leged or potential violation of this chapter and, in the course of the
7 investigation or in response to a request from a law enforcement
8 agency, may order a corporation to:**

9 **“(A) Prepare and submit to the Secretary of State within 30 days
10 the list described in ORS 60.771 (3); and**

11 **“(B) Answer within 30 days any interrogatory that is related to an
12 alleged or potential violation of this chapter that the Secretary of
13 State submits to the corporation.**

14 **“(b) Notwithstanding the provisions of ORS 192.410 to 192.505, the
15 list described in paragraph (a)(A) of this subsection and information
16 that the Secretary of State obtains from an interrogatory under par-
17 agraph (a)(B) of this subsection is not subject to public disclosure. The
18 Secretary of State may provide a law enforcement agency with the list
19 described in paragraph (a)(A) of this subsection and information the
20 Secretary of State obtains from an interrogatory under paragraph
21 (a)(B) of this subsection.**

1 “(2)(a) If a corporation fails to comply with an order from the Sec-
2 retary of State under subsection (1) of this section, the Secretary of
3 State may:

4 “(A) Impose a civil penalty on the corporation in accordance with
5 ORS 183.745;

6 “(B) Cancel or revoke an incorporation, or revoke a foreign
7 corporation’s authorization to transact business in this state, after
8 conducting a hearing under ORS 183.413 to 183.470; or

9 “(C) Administratively dissolve the corporation in accordance with
10 ORS 60.651.

11 “(b) The Secretary of State shall provide in an order that imposes
12 a civil penalty under paragraph (a)(A) of this subsection that the civil
13 penalty is not due and payable until after the order becomes final fol-
14 lowing any appeal of the order or, if an appeal does not occur, after
15 the order becomes final by operation of law.

16 “(3) The Director of the Department of Revenue may recommend
17 to the Secretary of State that the Secretary of State administratively
18 dissolve a corporation for a failure to comply with the tax laws of the
19 state if the corporation has not contested or is not contesting the
20 Department of Revenue’s determination that a failure has occurred.
21 If the Secretary of State agrees with the director, the Secretary of
22 State may dissolve the corporation under ORS 60.651.

23 “(4) The Secretary of State may not reinstate a corporation that
24 was administratively or judicially dissolved unless, as appropriate:

25 “(a) The corporation complies with the Secretary of State’s order
26 under subsection (1) of this section;

27 “(b) A law enforcement agency that has completed an investigation
28 of the corporation for which the Secretary of State canceled or re-
29 voked incorporation or revoked an authorization to transact business
30 in this state recommends that the Secretary of State allow the incor-

1 **poration or reinstatement; or**

2 **“(c) A court order compels a reinstatement.**

3 **“(5) A corporation may appeal in accordance with ORS 183.480 to**
4 **183.500 an order the Secretary of State issues or an action the Secre-**
5 **tary of State takes under this section.**

6 **“(6) The Secretary of State and the Director of the Department of**
7 **Revenue may each adopt rules to implement the provisions of this**
8 **section.**

9 **“SECTION 3. An officer, director, employee or agent of a corpo-**
10 **ration is liable for damages to the corporation or to a person that**
11 **suffers an ascertainable loss of money or property as a result of the**
12 **officer, director, employee or agent:**

13 **“(1) Making, issuing, delivering or publishing, or participating in**
14 **making, issuing, delivering or publishing, a prospectus, report, circu-**
15 **lar, certificate, financial statement, balance sheet, public notice or**
16 **document concerning the corporation or the corporation’s shares, as-**
17 **sets, liabilities, capital, dividends, earnings, accounts or business op-**
18 **erations that the officer, director, employee or agent knows is false in**
19 **any material respect;**

20 **“(2) Making an entry or causing another person to make an entry**
21 **in the corporation’s books, records, minutes or accounts that the di-**
22 **rector, officer, employee or agent knows is false in any material re-**
23 **spect; or**

24 **“(3) Removing, erasing, altering or canceling, or causing another**
25 **person to remove, erase, alter or cancel, an entry in a corporation’s**
26 **books, records, minutes or accounts if by means of the removal, era-**
27 **sure, alteration or cancellation the director, officer, employee or agent**
28 **intends to deceive another person.**

29 **“SECTION 4. Sections 5 and 6 of this 2017 Act are added to and**
30 **made a part of ORS chapter 63.**

1 **“SECTION 5. (1)(a) The Secretary of State may investigate an al-**
2 **leged or potential violation of this chapter and, in the course of the**
3 **investigation or in response to a request from a law enforcement**
4 **agency, may order a limited liability company to:**

5 **“(A) Prepare and submit to the Secretary of State within 30 days**
6 **the list described in ORS 63.771 (1)(a); and**

7 **“(B) Answer within 30 days any interrogatory that is related to an**
8 **alleged or potential violation of this chapter that the Secretary of**
9 **State submits to the limited liability company.**

10 **“(b) Notwithstanding the provisions of ORS 192.410 to 192.505, the**
11 **list described in paragraph (a)(A) of this subsection and information**
12 **that the Secretary of State obtains from an interrogatory under par-**
13 **agraph (a)(B) of this subsection is not subject to public disclosure. The**
14 **Secretary of State may provide a law enforcement agency with the list**
15 **described in paragraph (a)(A) of this subsection and information the**
16 **Secretary of State obtains from an interrogatory under paragraph**
17 **(a)(B) of this subsection.**

18 **“(2)(a) If a limited liability company fails to comply with an order**
19 **from the Secretary of State under subsection (1) of this section, the**
20 **Secretary of State may:**

21 **“(A) Impose a civil penalty on the limited liability company in ac-**
22 **cordance with ORS 183.745;**

23 **“(B) Cancel or revoke an organization, or revoke a foreign limited**
24 **liability company’s authorization to transact business in this state,**
25 **after conducting a hearing under ORS 183.413 to 183.470; or**

26 **“(C) Administratively dissolve the limited liability company in ac-**
27 **cordance with ORS 63.651.**

28 **“(b) The Secretary of State shall provide in an order that imposes**
29 **a civil penalty under paragraph (a)(A) of this subsection that the civil**
30 **penalty is not due and payable until after the order becomes final fol-**

1 **lowing any appeal of the order or, if an appeal does not occur, after**
2 **the order becomes final by operation of law.**

3 **“(3) The Director of the Department of Revenue may recommend**
4 **to the Secretary of State that the Secretary of State administratively**
5 **dissolve a limited liability company for a failure to comply with the**
6 **tax laws of the state if the limited liability company has not contested**
7 **or is not contesting the department’s determination that a failure has**
8 **occurred. If the Secretary of State agrees with the director, the Sec-**
9 **retary of State may dissolve the limited liability company under ORS**
10 **63.651.**

11 **“(4) The Secretary of State may not reinstate a limited liability**
12 **company that was administratively or judicially dissolved unless, as**
13 **appropriate:**

14 **“(a) The limited liability company complies with the Secretary of**
15 **State’s order under subsection (1) of this section;**

16 **“(b) A law enforcement agency that has completed an investigation**
17 **of the limited liability company for which the Secretary of State can-**
18 **celed or revoked organization or revoked an authorization to transact**
19 **business in this state recommends that the Secretary of State allow**
20 **the organization or reinstatement; or**

21 **“(c) A court order compels a reinstatement.**

22 **“(5) A limited liability company may appeal in accordance with ORS**
23 **183.480 to 183.500 an order the Secretary of State issues or an action**
24 **the Secretary of State takes under this section.**

25 **“(6) The Secretary of State and the Director of the Department of**
26 **Revenue may each adopt rules to implement the provisions of this**
27 **section.**

28 **“SECTION 6. A member, manager, employee or agent of a limited**
29 **liability company is liable for damages to the limited liability company**
30 **or to a person that suffers an ascertainable loss of money or property**

1 as a result of the member, manager, employee or agent:

2 “(1) Making, issuing, delivering or publishing, or participating in
3 making, issuing, delivering or publishing, a prospectus, report, circu-
4 lar, certificate, financial statement, balance sheet, public notice or
5 document concerning the limited liability company or the limited li-
6 ability company’s shares, assets, liabilities, capital, dividends,
7 earnings, accounts or business operations that the member, manager,
8 employee or agent knows is false in any material respect;

9 “(2) Making an entry or causing another person to make an entry
10 in the limited liability company’s books, records, minutes or accounts
11 that the member, manager, employee or agent knows is false in any
12 material respect; or

13 “(3) Removing, erasing, altering or canceling, or causing another
14 person to remove, erase, alter or cancel, an entry in a limited liability
15 company’s books, records, minutes or accounts if by means of the re-
16 moval, erasure, alteration or cancellation the member, manager, em-
17 ployee or agent intends to deceive another person.

18 “**SECTION 7.** ORS 56.035 is amended to read:

19 “56.035. (1) If a document is required by law to be verified before being
20 submitted for filing with the Secretary of State, the document must include
21 or be accompanied by a written declaration that the person who executes the
22 document prepares under penalties of perjury to the effect that the person
23 has examined the document and to the best of the person’s knowledge and
24 belief the document is true, correct and complete. An acknowledgment before
25 a notary public or other officer is not required.

26 “(2) The Secretary of State, before filing a document that a person sub-
27 mits for filing, may verify that the principal office address, [or] the regis-
28 tered office address, **the records office address described in ORS 70.020**
29 **or the principal address described in ORS 648.010 for an entity that has**
30 **an assumed business name as** listed in the document is a physical street

1 address and not a commercial mail receiving agency, **a mail forwarding**
2 **business or a virtual office.**

3 **“SECTION 8.** ORS 60.001 is amended to read:

4 “60.001. As used in this chapter:

5 “(1) ‘Anniversary’ means the day each year that is exactly one or more
6 years after:

7 “(a) The date on which the Secretary of State files the articles of incor-
8 poration for a domestic corporation.

9 “(b) The date on which the Secretary of State files an application for
10 authority to transact business for a foreign corporation.

11 “(2) ‘Articles of incorporation’ means the articles described in ORS 60.047,
12 amended and restated articles of incorporation, articles of conversion or ar-
13 ticles of merger.

14 “(3) ‘Authorized shares’ means the shares of all classes that a domestic
15 or foreign corporation is authorized to issue.

16 “(4) ‘Conspicuous’ means written, printed or typed in text that is itali-
17 cized, boldfaced, of a contrasting color, capitalized or underlined or similarly
18 enhanced so that a reasonable person against whom the writing is to operate
19 should have noticed the writing.

20 “(5) ‘Corporation’ or ‘domestic corporation’ means a corporation for profit
21 that is incorporated under or subject to the provisions of this chapter and
22 that is not a foreign corporation.

23 “(6) ‘Delivery’ means any method of delivery used in conventional com-
24 mercial practice, whether by hand, mail, commercial delivery or electronic
25 transmission.

26 “(7) ‘Distribution’ means a direct or indirect transfer of money or other
27 property, except of a corporation’s own shares, or [*an*] **a corporation’s**
28 incurrence of indebtedness [*by a corporation*] to or for the benefit of the
29 corporation’s shareholders in respect of any of the corporation’s shares, in
30 the form of a declaration or payment of a dividend, a purchase, redemption

1 or other acquisition of shares, a distribution of indebtedness, or otherwise.

2 “(8) ‘Domestic limited liability company’ means an entity that is an un-
3 incorporated association that has one or more members and that is organized
4 under ORS chapter 63.

5 “(9) ‘Domestic nonprofit corporation’ means a corporation not for profit
6 that is incorporated under ORS chapter 65.

7 “(10) ‘Domestic professional corporation’ means a corporation that is or-
8 ganized under ORS chapter 58 for the purpose of rendering professional ser-
9 vices and for the purposes provided under ORS chapter 58.

10 “(11) ‘Electronic signature’ has the meaning given that term in ORS
11 84.004.

12 “(12) ‘Electronic transmission’ means any process of communication that
13 does not directly involve the physical transfer of paper and that is suitable
14 for the recipient to retain, retrieve and reproduce information.

15 “(13) ‘Employee’ includes an officer but not a director, unless the director
16 accepts duties that make the director also an employee.

17 “(14) ‘Entity’ [*includes*] **means** a corporation, foreign corporation,
18 nonprofit corporation, profit and nonprofit unincorporated association, busi-
19 ness trust, partnership, two or more persons [*having*] **that have** a joint or
20 common economic interest, any state, the United States, a federally recog-
21 nized Native American or American Indian tribal government and any for-
22 eign government.

23 “(15) ‘Foreign corporation’ means a corporation for profit that is incor-
24 porated under laws other than the laws of [*this*] **the** state.

25 “(16) ‘Foreign limited liability company’ means an entity that is an un-
26 incorporated association organized under laws other than the laws of [*this*]
27 **the** state and that is organized under a statute under which an association
28 may be formed that affords to each of the entity’s members limited liability
29 with respect to liabilities of the entity.

30 “(17) ‘Foreign nonprofit corporation’ means a corporation not for profit

1 that is organized under laws other than the laws of [*this*] **the** state.

2 “(18) ‘Foreign professional corporation’ means a professional corporation
3 that is organized under laws other than the laws of [*this*] **the** state.

4 “(19) ‘Governmental subdivision’ includes an authority, county, district
5 and municipality.

6 “(20) ‘Individual’ means a natural person or the estate of an incompetent
7 individual or a deceased individual.

8 “(21) ‘Office,’ when used to refer to the administrative unit directed by
9 the Secretary of State, means the office of the Secretary of State.

10 “(22) ‘Person’ means an individual or entity.

11 “(23)(a) ‘Principal office’ means the physical street address of [*the*] **an**
12 office, in or out of this state, where the principal executive offices of a do-
13 mestic or foreign corporation are located and designated in the annual report
14 or in the application for authority to transact business in this state.

15 “**(b) ‘Principal office’ does not include a commercial mail receiving**
16 **agency, a mail forwarding business or a virtual office.**

17 “(24) ‘Proceeding’ means a civil, criminal, administrative or investigatory
18 action.

19 “(25) ‘Record date’ means the date established under this chapter on
20 which a corporation determines the identity of the corporation’s shareholders
21 and their shareholdings for purposes of this chapter.

22 “(26) ‘Remote communication’ means any method by which a person that
23 is not physically present at the location at which a meeting occurs may
24 nevertheless hear or otherwise communicate at substantially the same time
25 with other persons at the meeting and have access to materials necessary to
26 participate or vote in the meeting to the extent of the person’s authorization
27 to participate or vote.

28 “(27) ‘Shares’ means the units into which the proprietary interest in a
29 corporation is divided.

30 “(28) ‘Shareholder’ means the person in whose name shares are registered

1 in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

3 “(29) ‘Shell entity’ means an entity that has the characteristics described in ORS 60.661 (1)(a)(C)(i).

5 “[29] (30) ‘Signature’ means any manual, facsimile, conformed or electronic signature.

7 “[30] (31) ‘Single voting group’ means a voting group, the shares of which are entitled by the articles of incorporation or this chapter to vote generally on a matter.

10 “[31] (32) ‘State,’ when referring to a part of the United States, means a state, commonwealth, territory or insular possession of the United States and the agencies and governmental subdivisions of the state, commonwealth, territory or insular possession.

14 “[32] (33) ‘Subscriber’ means a person who subscribes for shares in a corporation, whether before or after incorporation.

16 “[33] (34) ‘United States’ [*includes*] means the federal government or a district, authority, bureau, commission, department [*and*] or any other agency of the United States.

19 “[34] (35) ‘Voting group’ means all shares of one or more classes or series that under the articles of incorporation or this chapter are entitled to vote and be counted together collectively on a matter at a meeting of shareholders.

23 “**SECTION 9.** ORS 60.004 is amended to read:

24 “60.004. (1) For the Secretary of State to file a document under this chapter, the document must satisfy the requirements set forth in this section and any other requirements in this chapter that supplement or modify the requirements set forth in this section.

28 “(2) [*This chapter must require or permit filing*] The document **must be a type of document that this chapter or another law requires or permits a person to file** with the Office of the Secretary of State.

1 “(3) The document must contain the information required by this chapter
2 and may contain other information.

3 “(4) The document must be legible.

4 “(5) The document must be in the English language. The certificate of
5 existence required of foreign corporations need not be in English if accom-
6 panied by a reasonably authenticated English translation.

7 “(6) The document must be executed **by**:

8 “(a) [*By*] The chair of the board of directors of a domestic or foreign
9 corporation, the corporation’s president or another of the corporation’s offi-
10 cers;

11 “(b) **An incorporator**, if directors have not been selected or before the
12 organizational meeting[, *by an incorporator*];

13 “(c) **A receiver, trustee or court-appointed fiduciary**, if the corpo-
14 ration is in the hands of a receiver, trustee or other court-appointed
15 fiduciary[, *by the fiduciary, receiver or trustee*]; or

16 “(d) [*By*] An agent of a person identified in this subsection, if the person
17 authorizes the agent to execute the document.

18 “(7) The person that executes the document shall:

19 “(a) **Declare, above the person’s signature and under penalty of**
20 **perjury, that the document does not fraudulently conceal, fraudulently**
21 **obscure, fraudulently alter or otherwise misrepresent the identity of**
22 **the person or any of the officers, directors, employees or agents of the**
23 **corporation on behalf of which the person signs; and**

24 “(b) State beneath or opposite the signature the person’s name and the
25 capacity in which the person signs.

26 “(8) The document may, but is not required to, contain:

27 “(a) The corporate seal;

28 “(b) An attestation by the secretary or an assistant secretary; or

29 “(c) An acknowledgment, verification or proof.

30 “[~~8~~] (9) If the Secretary of State has prescribed a mandatory form for

1 the document under ORS 60.016, the document must be in or on the pre-
2 scribed form.

3 “[9] (10) The document must be delivered to the Office of the Secretary
4 of State and must be accompanied by the required fees.

5 “[10] (11) Delivery of a document to the office is accomplished only
6 when the office actually receives the document.

7 **“SECTION 10.** ORS 60.047 is amended to read:

8 “60.047. (1) [*The*] Articles of incorporation [*shall*] **must** set forth:

9 “(a) A corporate name for the corporation that satisfies the requirements
10 of ORS 60.094;

11 “(b) The number of shares the corporation is authorized to issue;

12 “(c) The address, including street and number, and mailing address, if
13 different, of the corporation’s initial registered office and the name of [*its*]
14 **the corporation’s** initial registered agent at [*that*] **the initial registered**
15 office;

16 “(d) The name and address of each incorporator; [*and*]

17 “(e) A mailing address to which notices, as required by this chapter, may
18 be mailed until **the corporation designates** an address [*has been designated*
19 *by the corporation in its*] **in the corporation’s** annual report[.];

20 “(f) **The initial physical street address, including the number and**
21 **name of the street, and the mailing address, if different, of the**
22 **corporation’s principal office; and**

23 “(g) **The name and address of at least one individual who is a di-**
24 **rector or controlling shareholder of the corporation or an authorized**
25 **representative with direct knowledge of the operations and business**
26 **activities of the corporation.**

27 “(2) The articles of incorporation may set forth:

28 “(a) The names of the initial directors;

29 “(b) The addresses of the initial directors;

30 “(c) Provisions regarding:

1 “(A) The purpose or purposes for which the corporation is organized;

2 “(B) Managing the business and regulating the affairs of the corporation;

3 “(C) Defining, limiting and regulating the powers of the corporation,
4 [its] **the** board of directors and shareholders; and

5 “(D) A par value for authorized shares or classes of shares;

6 “(d) A provision eliminating or limiting the personal liability of a director
7 to the corporation or [its] **the corporation’s** shareholders for monetary
8 damages for conduct as a director, provided that [*no such provision shall*] **the**
9 **provision does not** eliminate or limit the liability of a director for any act
10 or omission [*occurring prior to the date when such*] **that occurs before the**
11 **date on which the** provision becomes effective and [*such*] **the** provision
12 [*shall*] **does** not eliminate or limit the liability of a director for:

13 “(A) Any breach of the director’s duty of loyalty to the corporation or
14 [its] **the corporation’s** shareholders;

15 “(B) Acts or omissions **that are** not in good faith or [*which*] **that** involve
16 intentional misconduct or a knowing violation of law;

17 “(C) Any unlawful distribution under ORS 60.367; or

18 “(D) Any transaction from which the director derived an improper per-
19 sonal benefit;

20 “(e) A provision authorizing or directing the corporation to conduct the
21 business of the corporation in a manner that is environmentally and socially
22 responsible; and

23 “(f) Any provision that under this chapter is required or permitted to be
24 set forth in the bylaws.

25 “(3) The articles of incorporation need not set forth any of the corporate
26 powers enumerated in this chapter.

27 **“SECTION 11.** ORS 60.074 is amended to read:

28 “60.074. (1) Every corporation incorporated under this chapter has the
29 purpose of engaging in any lawful business unless a more limited purpose is
30 set forth in the articles of incorporation. **A person may not incorporate**

1 **a corporation under this chapter for any illegal purpose or with an**
2 **intent to fraudulently conceal any business activity from another**
3 **person or a governmental agency.**

4 “(2) A business that is subject to regulation under another statute of
5 [this] **the** state may not be incorporated under this chapter if [such business
6 is required to] **the business must** be organized under [such] **the** other stat-
7 ute.

8 **“SECTION 12.** ORS 60.111 is amended to read:

9 “60.111. (1) A corporation shall continuously maintain in this state a
10 registered agent and registered office that may be, but need not be, the same
11 as any of the corporation’s places of business. The registered office must be
12 located at a physical street address where process may be personally served
13 on the registered agent. The registered office may not be a commercial mail
14 receiving agency, **a mail forwarding business or a virtual office.**

15 “(2) A registered agent [shall] **must** be:

16 “(a) An individual who resides in this state and whose business office is
17 identical to the registered office;

18 “(b) A domestic corporation, domestic limited liability company, domestic
19 professional corporation or domestic nonprofit corporation, the business of-
20 fice of which is identical to the registered office; or

21 “(c) A foreign corporation, foreign limited liability company, foreign pro-
22 fessional corporation or foreign nonprofit corporation that is authorized to
23 transact business in this state, the business office of which is identical to
24 the registered office.

25 **“SECTION 13.** ORS 60.131 is amended to read:

26 “60.131. (1)(a) [The] Articles of incorporation must prescribe the classes
27 of shares and the number of shares of each class that [the corporation is au-
28 thorized to] **a corporation may** issue.

29 **“(b) A corporation may not issue a document that entitles an uni-**
30 **identified individual or entity that possesses the document to a share**

1 **in the corporation.**

2 “(c) If **the corporation may issue** more than one class of shares [*is*
3 *authorized*], the articles of incorporation must prescribe a distinguishing
4 designation for each class, and [*prior to the issuance of*] **before** shares of a
5 class **are issued**, the preferences, limitations and relative rights of [*that*] **the**
6 class must be described in the articles of incorporation. All shares of a class
7 must have preferences, limitations and relative rights identical to [*those*] **the**
8 **preferences, limitations and relative rights** of other shares of the same
9 class except to the extent otherwise permitted by ORS 60.134 and 60.157.

10 “(2) If the articles of incorporation authorize only one class of shares,
11 that class has unlimited voting rights and rights to receive the net assets
12 of the corporation upon dissolution. If the articles of incorporation authorize
13 more than one class of shares, then one or more classes of shares must to-
14 gether have unlimited voting rights, and one or more classes of shares which
15 may be the same class or classes as those with voting rights, must together
16 be entitled to receive the net assets of the corporation upon dissolution.

17 “(3) The articles of incorporation may authorize one or more classes of
18 shares that:

19 “(a) Have special, conditional or limited voting rights, or no voting
20 rights, except to the extent prohibited by this chapter;

21 “(b) Are redeemable or convertible as specified in the articles of incor-
22 poration:

23 “(A) At the option of the corporation, the shareholder or another person
24 or upon the occurrence of a designated event;

25 “(B) For cash, indebtedness, securities or other property; or

26 “(C) In a designated amount or in an amount determined in accordance
27 with a designated formula or by reference to extrinsic data or events;

28 “(c) Entitle the holders to distributions calculated in any manner, in-
29 cluding dividends that may be cumulative, noncumulative or partially cu-
30 mulative; or

1 “(d) Have preference over any other class of shares with respect to dis-
2 tributions, including dividends and distributions upon the dissolution of the
3 corporation.

4 “(4) The description of the designations, preferences, limitations and rel-
5 ative rights of share classes in subsection (3) of this section is not exhaus-
6 tive.

7 **“SECTION 14.** ORS 60.647 is amended to read:

8 “60.647. The Secretary of State may commence a proceeding under ORS
9 60.651 to administratively dissolve a corporation if:

10 “(1) The corporation does not pay when due any fees imposed by this
11 chapter;

12 “(2) The corporation does not deliver *[its]* **the corporation’s** annual re-
13 port to the Secretary of State when due;

14 **“(3) The corporation fails to comply with an order from the Secre-
15 tary of State under section 2 (1) of this 2017 Act or is the subject of a
16 recommendation for dissolution from the Director of the Department
17 of Revenue under section 2 (3) of this 2017 Act;**

18 “[~~(3)~~] (4) The corporation is without a registered agent or registered office
19 in this state;

20 “[~~(4)~~] (5) The corporation does not notify the Secretary of State that
21 *[its]* **the corporation’s** registered agent or registered office has *[been]*
22 changed, that *[its]* **the** registered agent has resigned or that *[its]* **the** regis-
23 tered office has been discontinued; or

24 “[~~(5)~~] (6) The corporation’s period of duration stated in *[its]* **the** articles
25 of incorporation expires.

26 **“SECTION 15.** ORS 60.661 is amended to read:

27 “60.661. (1) *[The circuit courts]* **A circuit court** may dissolve a corpo-
28 ration:

29 “[~~(1)~~] (a) In a proceeding by the Attorney General if *[it is established]* **the**
30 **court finds** that:

1 “[*a*] (A) The corporation [*obtained its*] **filed** articles of incorporation
2 [*through*] **with fraudulent intent, with fraudulent information or in a**
3 **manner that otherwise indicates fraud; [*or*]**

4 “[*b*] (B) The corporation has continued to exceed or abuse the authority
5 conferred upon [*it*] **the corporation** by law[.]; **or**

6 **“(C) The corporation is a shell entity. For purposes of this subpar-**
7 **agraph:**

8 **“(i) A court may find that a corporation is a shell entity if the court**
9 **determines that the corporation was used or incorporated for an illegal**
10 **purpose, was used or incorporated to defraud or deceive a person or a**
11 **governmental agency or was used or incorporated to fraudulently**
12 **conceal any business activity from another person or a governmental**
13 **agency; and**

14 **“(ii) The Attorney General may make a prima facie showing that a**
15 **corporation is a shell entity by stating in an affidavit that:**

16 **“(I) The corporation did not provide a name or address required by**
17 **the Secretary of State, or the name or address the corporation pro-**
18 **vided was false, fraudulent or inadequate;**

19 **“(II) The corporation’s articles of incorporation, a record the cor-**
20 **poration must keep under ORS 60.771, or the corporation’s annual re-**
21 **port is false, fraudulent or inadequate;**

22 **“(III) A public body, as defined in ORS 174.109, attempted to com-**
23 **municate with, or serve legal process upon, the corporation at the**
24 **address or by means of other contact information the corporation**
25 **provided to the Secretary of State, but the corporation failed to re-**
26 **spond; or**

27 **“(IV) The Attorney General has other evidence that shows that the**
28 **corporation was used or incorporated for an illegal purpose, was used**
29 **or incorporated to defraud or deceive a person or a governmental**
30 **agency or was used or incorporated to fraudulently conceal any busi-**

1 **ness activity from another person or a governmental agency.**

2 “[2] (b) In a proceeding by a shareholder in a corporation that has
3 shares that are listed on a national securities exchange or that are regularly
4 traded in a market maintained by one or more members of a national or af-
5 filiated securities association, if *[it is established]* **the court finds** that:

6 “[a] (A) The directors are deadlocked in the management of the corpo-
7 rate affairs, the shareholders are unable to break the deadlock and
8 irreparable injury to the corporation is threatened or being suffered, or the
9 business and affairs of the corporation can no longer be conducted to the
10 advantage of the shareholders generally, because of the deadlock;

11 “[b] (B) The directors or those in control of the corporation have acted,
12 are acting or will act in a manner that is illegal, oppressive or fraudulent;

13 “[c] (C) The shareholders are deadlocked in voting power and have
14 failed, for a period that includes at least two consecutive annual meeting
15 dates, to elect successors to directors whose terms have expired; or

16 “[d] (D) The corporate assets are being misapplied or wasted.

17 “[3] (c) In a proceeding by a creditor if *[it is established]* **the court**
18 **finds** that:

19 “[a] (A) The creditor’s claim has been reduced to judgment, the exe-
20 cution on the judgment returned unsatisfied and the corporation is insolvent;
21 or

22 “[b] (B) The corporation has admitted in writing that the creditor’s
23 claim is due and owing and the corporation is insolvent.

24 “[4] (d) In a proceeding by the corporation to have *[its]* **the**
25 **corporation’s** voluntary dissolution continued under court supervision.

26 **“(2) In addition to subjecting a corporation to dissolution under**
27 **subsection (1)(a)(C) of this section, a finding that a corporation is a**
28 **shell entity has the following effects:**

29 **“(a) A court may rebuttably presume that the corporation’s filings**
30 **with the Secretary of State constitute a false claim, as defined in ORS**

1 180.750, in any action the Attorney General brings against the corpo-
2 ration under ORS 180.760; and

3 “(b) A public body, as defined in ORS 174.109, in any proceeding
4 against the corporation, may move to enjoin a director, officer or
5 other person that exercises significant direction or control over the
6 corporation from engaging in commercial activity in this state, in-
7 cluding but not limited to incorporating or organizing an entity in this
8 state.

9 “(3) A corporation may affirmatively defend against an allegation
10 that the corporation is a shell entity by showing that the corporation,
11 within 60 days after receiving a request to provide or correct a name,
12 address or other information required for a filing or in articles of in-
13 corporation, a record the corporation must keep or an annual report,
14 or within 60 days after the date of a request to respond to a commu-
15 nication or service of process, provided or corrected the name, address
16 or other information or responded to the communication or service
17 of process.

18 “SECTION 16. ORS 60.737 is amended to read:

19 “60.737. The Secretary of State may commence a proceeding under ORS
20 60.741 to revoke the authority of a foreign corporation to transact business
21 in this state if:

22 “(1) The foreign corporation does not deliver [*its*] **the corporation’s** an-
23 nual report to the Secretary of State within the time prescribed by this
24 chapter;

25 “(2) The foreign corporation does not pay within the time prescribed by
26 this chapter any fees imposed by this chapter;

27 “(3) **The foreign corporation fails to comply with an order from the**
28 **Secretary of State under section 2 (1) of this 2017 Act;**

29 “[3] (4) The foreign corporation has failed to appoint or maintain a
30 registered agent or registered office in this state as prescribed by this chap-

1 ter;

2 “[4] (5) The foreign corporation does not inform the Secretary of State
3 under ORS 60.724 or 60.727 that [its] **the corporation’s** registered agent or
4 registered office has changed, that [its] **the** registered agent has resigned or
5 that [its] **the** registered office has been discontinued;

6 “[5] (6) An incorporator, director, officer or agent of the foreign corpo-
7 ration signed a document knowing [it] **the document** was false in any ma-
8 terial respect with intent that the document be delivered to the office for
9 filing; or

10 “[6] (7) The Secretary of State receives a duly authenticated certificate
11 from the official having custody of corporate records in the state or country
12 under whose law the foreign corporation is incorporated stating that [it] **the**
13 **foreign corporation** has been dissolved or disappeared as the result of a
14 merger.

15 **“SECTION 17. ORS 62.155 is amended to read:**

16 “62.155. (1) A cooperative shall have and continuously maintain in this
17 state:

18 “(a) A registered office that may be, but need not be, the same as the
19 cooperative’s place of business. The registered office must be located at a
20 physical street address where process may be personally served on the reg-
21 istered agent. The registered office may not be a commercial mail receiving
22 agency, **a mail forwarding business or a virtual office.**

23 “(b) A registered agent that must be:

24 “(A) An individual who resides in this state and whose business office is
25 identical to the registered office;

26 “(B) A domestic corporation, domestic limited liability company, domestic
27 professional corporation or domestic nonprofit corporation that has a busi-
28 ness office identical to the registered office; or

29 “(C) A foreign corporation, foreign limited liability company, foreign
30 professional corporation or foreign nonprofit corporation that is authorized

1 to transact business in this state and that has a business office identical to
2 the registered office.

3 “(2) A cooperative may change the cooperative’s registered office or reg-
4 istered agent in accordance with the procedure set forth in ORS 60.114.

5 “(3) A person that a cooperative has designated as the cooperative’s reg-
6 istered agent may resign in accordance with the procedure set forth in ORS
7 60.117.

8 “(4) A registered agent appointed by a cooperative is an agent of the co-
9 operative upon whom any process, notice or demand required or permitted
10 by law to be served upon the cooperative may be served.

11 “(5) The provisions of ORS 60.121 are applicable to cooperatives.

12 “**SECTION 18.** ORS 63.001 is amended to read:

13 “63.001. As used in this chapter:

14 “(1) ‘Anniversary’ means *[that]* **the** day each year **that is** exactly one or
15 more years after:

16 “(a) The date *[of filing by]* **on which** the Secretary of State *[of]* **files** the
17 articles of organization *[in the case of]* **for** a domestic limited liability com-
18 pany.

19 “(b) The date *[of filing by]* **on which** the Secretary of State *[of an]* **files**
20 **a foreign limited liability company’s** application for authority to transact
21 business in *[the case of a foreign limited liability company]* **this state.**

22 “(2) ‘Articles of organization’ means the document described in ORS
23 63.047 *[for the purpose of forming]* **that forms** a limited liability company,
24 including articles of organization as *[they]* **the articles of organization** may
25 be amended or restated, articles of conversion and articles of merger.

26 “(3) ‘Bankruptcy’ means:

27 “(a) *[Assignment by a member]* **A member’s assignment** for the benefit
28 of creditors;

29 “(b) **A member’s** commencement of a voluntary bankruptcy case *[by a*
30 *member]*;

1 “(c) Adjudication of a member as bankrupt or insolvent;

2 “(d) [*Filing by a member of*] **A member’s filing of** a petition or answer
3 [*seeking*] **to seek** for the member any reorganization, arrangement, composi-
4 tion, readjustment, liquidation, dissolution or similar relief under any stat-
5 ute, law or rule;

6 “(e) **A member’s** filing [*by a member*] of an answer or other pleading
7 [*admitting or failing*] **that admits or fails** to contest the material
8 allegations of a petition filed against the member in [*any proceeding of this*
9 *nature*] **a bankruptcy procedure**;

10 “(f) Seeking, consenting to or acquiescing in the appointment of a trustee,
11 receiver or liquidator of the member or of all or any substantial part of the
12 member’s properties;

13 “(g) **A** commencement of an involuntary bankruptcy case against a mem-
14 ber that has not been dismissed on or before the 120th day after the com-
15 mencement of the case;

16 “(h) **An** appointment, without the member’s consent, of a trustee, receiver
17 or liquidator either of the member or of all or any substantial part of the
18 member’s properties that is not vacated or stayed on or before the 90th day
19 after **the** appointment; or

20 “(i) **An** appointment described in paragraph (h) of this subsection that is
21 not vacated on or before the 90th day after [*expiration of the stay under*] **the**
22 **stay described in** paragraph (h) of this subsection **expires**.

23 “(4) ‘Contribution’ means anything of value that a person contributes to
24 the limited liability company as a prerequisite for or in connection with
25 membership including cash, property or services rendered or a promissory
26 note or other binding obligation to contribute cash or property or to perform
27 services.

28 “(5) ‘Corporation’ or ‘domestic corporation’ means a corporation for profit
29 **that is** incorporated under ORS chapter 60.

30 “(6) ‘Distribution’ means a direct or indirect transfer of money or other

1 property, except of a limited liability company's own interests, or a **limited**
2 **liability company's** incurrence of indebtedness [*by a limited liability com-*
3 *pany*] to or for the benefit of the limited liability company's members in re-
4 spect of a member's interests[. *A distribution may be*], **whether** in the form
5 of a declaration or payment of profits, a purchase, retirement or other ac-
6 quisition of interests, a distribution of indebtedness, or otherwise.

7 “(7) ‘Domestic nonprofit corporation’ means a corporation not for profit
8 **that is** incorporated under ORS chapter 65.

9 “(8) ‘Domestic professional corporation’ means a corporation **that is** or-
10 ganized under ORS chapter 58 for the purpose of rendering professional ser-
11 vices and for the purposes provided under ORS chapter 58.

12 “(9) ‘Entity’ [*includes*] **means** a domestic or foreign limited liability
13 company, corporation, professional corporation, foreign corporation, domestic
14 or foreign nonprofit corporation, domestic or foreign cooperative corpo-
15 ration, profit or nonprofit unincorporated association, business trust, do-
16 mestic or foreign general or limited partnership, two or more persons
17 [*having*] **that have** a joint or common economic interest, any state, the
18 United States, a federally recognized Native American or American Indian
19 tribal government or any foreign government.

20 “(10) ‘Foreign corporation’ means a corporation for profit **that is** incor-
21 porated under laws other than the laws of [*this*] **the** state.

22 “(11) ‘Foreign limited liability company’ means an entity that is an un-
23 incorporated association organized under laws other than the laws of [*this*]
24 **the** state and that is organized under a statute under which an association
25 may be formed that affords to each of the entity's members limited liability
26 with respect to the liabilities of the entity.

27 “(12) ‘Foreign limited partnership’ means a limited partnership formed
28 under laws other than the laws of [*this state and having*] **the state and that**
29 **has** as partners one or more general partners and one or more limited part-
30 ners.

1 “(13) ‘Foreign nonprofit corporation’ means a corporation not for profit
2 **that is** organized under laws other than the laws of [*this*] **the** state.

3 “(14) ‘Foreign professional corporation’ means a professional corporation
4 **that is** organized under laws other than the laws of [*this*] **the** state.

5 “(15) ‘Incompetency’ means the entry of a judgment by a court of compe-
6 tent jurisdiction adjudicating the member incompetent to manage the
7 member’s person or estate.

8 “(16) ‘Individual’ means a natural person.

9 “(17) ‘Limited liability company’ or ‘domestic limited liability company’
10 means an entity that is an unincorporated association [*having*] **that has** one
11 or more members **and** [*that*] is organized under this chapter.

12 “(18) ‘Limited partnership’ or ‘domestic limited partnership’ means a
13 partnership formed by two or more persons under ORS chapter 70 [*and hav-*
14 *ing*] **that has** one or more general partners and one or more limited partners.

15 “(19) ‘Manager’ [*or ‘managers’*] means a person [*or persons, who need not*
16 *be members, designated by*], **not necessarily a member, that** the members
17 of a manager-managed limited liability company **designate** to manage the
18 limited liability company’s business and affairs.

19 “(20) ‘Manager-managed limited liability company’ means a limited li-
20 ability company that is designated as a manager-managed limited liability
21 company in the limited liability company’s articles of organization or
22 [*whose*] **the** articles of organization **of which** otherwise expressly provide
23 that **a manager will manage** the limited liability company [*will be managed*
24 *by a manager or managers*].

25 “(21)(a) ‘Member’ [*or ‘members’*] means a person [*or persons*] with both
26 an ownership interest in a limited liability company and all the rights and
27 obligations of a member specified under this chapter.

28 “(b) ‘Member’ does not include an assignee of an ownership interest
29 [*who*] **that** has not also acquired the voting and other rights appurtenant to
30 membership.

1 “(22) ‘Member-managed limited liability company’ means a limited liabil-
2 ity company other than a manager-managed limited liability company.

3 “(23) ‘Membership interest’ [*or ‘interest’*] means a member’s collective
4 rights in a limited liability company, including the member’s share of profits
5 and losses of the limited liability company, the right to receive distributions
6 of the limited liability company’s assets and any right to vote or participate
7 in management.

8 “(24) ‘Office,’ when used to refer to the administrative unit directed by
9 the Secretary of State, means the office of the Secretary of State.

10 “(25) ‘Operating agreement’ means any valid agreement, written or oral,
11 of the member or members as to the affairs of a limited liability company
12 and the conduct of the limited liability company’s business.

13 “(26) ‘Organizer’ means one of the signers of the initial articles of or-
14 ganization.

15 “(27) ‘Party’ includes an individual who was, is or is threatened to be
16 made a named defendant or respondent in a proceeding.

17 “(28) ‘Person’ means an individual or entity.

18 “(29)(a) **‘Principal office’ means the physical street address of an**
19 **office, in or out of this state, where the principal executive offices of**
20 **a domestic or foreign limited liability company are located and desig-**
21 **ned in the annual report or in the application for authority to**
22 **transact business in this state.**

23 “(b) **‘Principal office’ does not include a commercial mail receiving**
24 **agency, a mail forwarding business or a virtual office.**

25 “[29] (30) ‘Proceeding’ means any threatened, pending or completed
26 action, suit or proceeding whether civil, criminal, administrative or
27 investigatory and whether formal or informal.

28 “(31) **‘Shell entity’ means an entity that has the characteristics de-**
29 **scribed in ORS 63.661 (1)(a)(C)(i).**

30 “[30] (32) ‘State,’ when referring to a part of the United States,

1 *[includes]* **means** a state, commonwealth, territory or insular possession of
2 the United States and the agencies and governmental subdivisions of the
3 state, commonwealth, territory or insular possession.

4 “[~~31~~] (33) ‘United States’ *[includes]* **means the federal government**
5 **and** a district, authority, bureau, commission, department or any other
6 agency of the United States.

7 **“SECTION 19.** ORS 63.004 is amended to read:

8 “63.004. (1) For the Secretary of State to file a document under this
9 chapter, the document must satisfy the requirements set forth in this section
10 and any other requirements in this chapter that supplement or modify the
11 requirements set forth in this section.

12 “(2) [*This chapter must require or permit filing*] The document **must be**
13 **a type of document that this chapter or another law requires or per-**
14 **mits a person to file** with the Office of the Secretary of State.

15 “(3) The document must contain the information required by this chapter
16 and may contain other information.

17 “(4) The document must be legible.

18 “(5) The document must be in the English language. The certificate of
19 existence required of foreign limited liability companies under ORS 63.707
20 need not be in English if accompanied by a reasonably authenticated English
21 translation.

22 “(6)(a) Unless otherwise specified in this chapter, each document or report
23 required by this chapter to be filed with the office must be executed in the
24 following manner:

25 “(A) Articles of organization must be signed by or on behalf of one or
26 more persons wishing to form the limited liability company.

27 “(B) Articles of amendment must be signed by at least one member or
28 manager.

29 “(C) Each annual report must be signed by one member or manager.

30 “(D) If the limited liability company is in the hands of a receiver, trustee

1 or other court-appointed fiduciary, a document or report must be signed by
2 that receiver, trustee or fiduciary.

3 “(b) An agent of a person identified in paragraph (a) of this subsection
4 may execute a document identified in paragraph (a) of this subsection, if the
5 person authorizes the agent to execute the document.

6 “(7) The person that executes the document shall:

7 “(a) **Declare, above the person’s signature and under penalty of**
8 **perjury, that the document does not fraudulently conceal, fraudulently**
9 **obscure, fraudulently alter or otherwise misrepresent the identity of**
10 **the person or any of the members, managers, employees or agents of**
11 **the limited liability company on behalf of which the person signs; and**

12 “(b) State beneath or opposite the signature the person’s name and the
13 capacity in which the person signs.

14 “(8) The document may, but is not required to, contain an acknowledg-
15 ment, verification or proof.

16 “[8] (9) If the Secretary of State has prescribed a mandatory form for
17 the document under ORS 63.016, the document must be in or on the pre-
18 scribed form.

19 “[9] (10) The document must be delivered to the office accompanied by
20 the required fees.

21 “[10] (11) Delivery of a document to the office [*is accomplished*] **occurs**
22 only when the office actually receives the document.

23 “**SECTION 20.** ORS 63.047 is amended to read:

24 “63.047. (1) [*The*] Articles of organization [*shall*] **must** set forth:

25 “(a) The name of the limited liability company, which [*satisfies*] **must**
26 **satisfy** the requirements of ORS 63.094;

27 “(b) The address, including street and number, and mailing address, if
28 different, of the limited liability company’s initial registered office and the
29 name of [*its*] **the** initial registered agent at [*that*] **the** office;

30 “(c) A mailing address to which notices, as required by this chapter, may

1 be mailed until **the limited liability company designates** an address [*has*
2 *been designated by the limited liability company in its*] **in an** annual report;

3 “(d) If the limited liability company [*is to*] **will** be manager-managed, a
4 statement that the limited liability company will be manager-managed or a
5 statement that the limited liability company [*is to*] **will** be managed by a
6 manager or managers;

7 “(e) The name and address of each organizer;

8 “(f) The latest date on which the limited liability company [*is to*] **will**
9 dissolve or a statement that [*its*] **the limited liability company’s** existence
10 is perpetual; [*and*]

11 “(g) If a limited liability company [*is to*] **will** render professional service
12 or services, as defined in ORS 58.015, the professional service or services [*to*
13 *be rendered through*] **that** the limited liability company[.] **will render**;

14 “(h) **The initial physical street address, including the number and**
15 **name of the street, and the mailing address, if different, of the limited**
16 **liability company’s principal office; and**

17 “(i) **The name and address of at least one individual who is a**
18 **member or manager of the limited liability company or an authorized**
19 **representative with direct knowledge of the operations and business**
20 **activities of the limited liability company.**

21 “(2) The articles of organization may set forth any other provisions, not
22 inconsistent with law, for [*the regulation of*] **regulating** the internal affairs
23 of the limited liability company, including any provision that is required or
24 permitted to be included in any operating agreement of the limited liability
25 company under this chapter.

26 “(3) The articles of organization need not set forth any of the powers
27 enumerated in this chapter.

28 “**SECTION 21.** ORS 63.074 is amended to read:

29 “63.074. (1) Except as otherwise provided by the laws of [*this*] **the** state
30 and in this section, a limited liability company formed under this chapter

1 may conduct or promote any lawful business or purpose [*which*] **that** a
2 partnership, corporation or professional corporation as defined in ORS 58.015
3 may conduct or promote, unless **the articles of organization set forth** a
4 more limited purpose [*is set forth in the articles of organization*]. **A person**
5 **may not organize a limited liability company under this chapter for**
6 **any illegal purpose or with an intent to fraudulently conceal any**
7 **business activity from another person or a governmental agency.**

8 “(2) Subject to the laws of [*this*] **the** state, the rules and regulations of
9 [*the*] a regulatory board of [*the*] a profession, if any, and the standards of
10 professional conduct of the profession, if any, a limited liability company or
11 [*its*] members **of the limited liability company** may render professional
12 service in this state. Notwithstanding any other law, members **of a limited**
13 **liability company**, including members who are managers, [*of a limited li-*
14 *ability company*] **and** who are also professionals, as defined in ORS 58.015,
15 [*shall be*] **are** personally liable as members of the limited liability company
16 to the same extent and in the same manner as provided for shareholders of
17 a professional corporation in ORS 58.185 and 58.187 and as otherwise pro-
18 vided in this chapter.

19 “(3) A business that is subject to regulation under another statute of
20 [*this*] **the** state may not be organized under this chapter if the business is
21 required to be organized only under the other statute.

22 **“SECTION 22.** ORS 63.111 is amended to read:

23 “63.111. (1) A limited liability company shall continuously maintain in
24 this state a registered agent and registered office that may be, but need not
25 be, the same as any of the limited liability company’s places of business. The
26 registered office must be located at a physical street address where process
27 may be personally served on the registered agent. The registered office may
28 not be a commercial mail receiving agency, **a mail forwarding business**
29 **or a virtual office.**

30 “(2) A registered agent must be:

1 “(a) An individual who resides in this state and whose business office is
2 identical to the registered office;

3 “(b) A domestic limited liability company, a domestic corporation, a do-
4 mestic professional corporation or a domestic nonprofit corporation, the
5 business office of which is identical to the registered office; or

6 “(c) A foreign limited liability company, foreign corporation, foreign pro-
7 fessional corporation or foreign nonprofit corporation that is authorized to
8 transact business in this state, the business office of which is identical to
9 the registered office.

10 **“SECTION 23.** ORS 63.647 is amended to read:

11 “63.647. The Secretary of State may commence a proceeding under ORS
12 63.651 to administratively dissolve a limited liability company if:

13 “(1) The limited liability company does not pay when due any fees im-
14 posed by this chapter;

15 “(2) The limited liability company does not deliver [*its*] **the limited li-**
16 **ability company’s** annual report to the Secretary of State when due;

17 “(3) **The limited liability company fails to comply with an order**
18 **from the Secretary of State under section 5 (1) of this 2017 Act or is**
19 **the subject of a recommendation for dissolution from the Director of**
20 **the Department of Revenue under section 5 (3) of this 2017 Act;**

21 “[3] (4) The limited liability company is without a registered agent or
22 registered office in this state;

23 “[4] (5) The limited liability company does not notify the Secretary of
24 State that [*its*] **the limited liability company’s** registered agent or regis-
25 tered office has [*been*] changed, that [*its*] **the** registered agent has resigned
26 or that [*its*] **the** registered office has been discontinued; or

27 “[5] (6) The limited liability company’s period of duration stated in
28 [*its*] **the** articles of organization expires.

29 **“SECTION 24.** ORS 63.661 is amended to read:

30 “63.661. (1) [*The circuit courts*] **A circuit court** may dissolve a limited

1 liability company:

2 “[*(1)*] (a) In a proceeding by the Attorney General if [*it is established*] **the**
3 **court finds** that:

4 “[*(a)*] (A) The limited liability company [*obtained its*] **filed** articles of
5 organization [*through*] **with fraudulent intent, with fraudulent informa-**
6 **tion or in a manner that otherwise indicates** fraud; [*or*]

7 “[*(b)*] (B) The limited liability company has continued to exceed or abuse
8 the authority conferred upon [*it*] **the limited liability company** by law[.];
9 **or**

10 **“(C) The limited liability company is a shell entity. For purposes**
11 **of this subparagraph:**

12 **“(i) A court may find that a limited liability company is a shell**
13 **entity if the court determines that the limited liability company was**
14 **used or organized for an illegal purpose, was used or organized to de-**
15 **fraud or deceive a person or a governmental agency or was used or**
16 **organized to fraudulently conceal any business activity from another**
17 **person or a governmental agency; and**

18 **“(ii) The Attorney General may make a prima facie showing that a**
19 **limited liability company is a shell entity by stating in an affidavit**
20 **that:**

21 **“(I) The limited liability company did not provide a name or address**
22 **required by the Secretary of State, or the name or address the limited**
23 **liability company provided was false, fraudulent or inadequate;**

24 **“(II) The limited liability company’s articles of organization, a re-**
25 **cord the limited liability company must keep under ORS 63.771 or the**
26 **limited liability company’s annual report is false, fraudulent or inad-**
27 **equately;**

28 **“(III) A public body, as defined in ORS 174.109, attempted to com-**
29 **municate with, or serve legal process upon, the limited liability com-**
30 **pany at the address or by means of other contact information the**

1 **limited liability company provided to the Secretary of State, but the**
2 **limited liability company failed to respond; or**

3 **“(IV) The Attorney General has other evidence that shows that the**
4 **limited liability company was used or organized for an illegal purpose,**
5 **was used or organized to defraud or deceive a person or a govern-**
6 **mental agency or was used or organized to fraudulently conceal any**
7 **business activity from another person or a governmental agency.**

8 **“[(2)] (b) In a proceeding by or for a member if [it is established] the**
9 **court finds that it is not reasonably practicable to carry on the business**
10 **of the limited liability company in conformance with [its] the articles of**
11 **organization or any operating agreement.**

12 **“[(3)] (c) In a proceeding by the limited liability company to have [its]**
13 **the limited liability company’s voluntary dissolution continued under**
14 **court supervision.**

15 **“(2) In addition to subjecting a limited liability company to dissol-**
16 **ution under subsection (1)(a)(C) of this section, a finding that a limited**
17 **liability company is a shell entity has the following effects:**

18 **“(a) A court may rebuttably presume that the limited liability**
19 **company’s filings with the Secretary of State constitute a false claim,**
20 **as defined in ORS 180.750, in any action the Attorney General brings**
21 **against the limited liability company under ORS 180.760; and**

22 **“(b) A public body, as defined in ORS 174.109, in any proceeding**
23 **against the limited liability company, may move to enjoin a member,**
24 **manager or other person that exercises significant direction or control**
25 **over the limited liability company from engaging in commercial ac-**
26 **tivity in this state, including but not limited to incorporating or or-**
27 **ganizing another entity in this state.**

28 **“(3) A limited liability company may affirmatively defend against**
29 **an allegation that the limited liability company is a shell entity by**
30 **showing that the limited liability company, within 60 days after re-**

1 **ceiving a request to provide or correct a name, address or other in-**
2 **formation required for a filing or in articles of organization, a record**
3 **the limited liability company must keep or an annual report, or within**
4 **60 days after the date of a request to respond to a communication or**
5 **service of process, provided or corrected the name, address or other**
6 **information or responded to the communication or service of process.**

7 **“SECTION 25.** ORS 63.737 is amended to read:

8 “63.737. The Secretary of State may commence a proceeding under ORS
9 63.741 to revoke the authority of a foreign limited liability company to
10 transact business in this state if:

11 “(1) The foreign limited liability company does not deliver [*its*] **the lim-**
12 **ited liability company’s** annual report to the Secretary of State within the
13 time prescribed by this chapter;

14 “(2) The foreign limited liability company does not pay within the time
15 prescribed by this chapter any fees imposed by this chapter;

16 “(3) **The foreign limited liability company fails to comply with an**
17 **order from the Secretary of State under section 5 (1) of this 2017 Act;**

18 “[3] (4) The foreign limited liability company has failed to appoint or
19 maintain a registered agent or registered office in this state as prescribed
20 by this chapter;

21 “[4] (5) The foreign limited liability company does not inform the Sec-
22 retary of State under ORS 63.724 or 63.727 that [*its*] **the limited liability**
23 **company’s** registered agent or registered office has changed, that [*its*] **the**
24 registered agent has resigned or that [*its*] **the** registered office has been
25 discontinued;

26 “[5] (6) An organizer, manager, member or agent of the foreign limited
27 liability company signed a document knowing [*it*] **the document** was false
28 in any material respect with intent that the document be delivered to the
29 office for filing;

30 “[6] (7) The foreign limited liability company no longer satisfies the re-

1 requirements of ORS 63.714 (3);

2 “[7] (8) The Secretary of State receives a duly authenticated certificate
3 from the official having custody of the limited liability company records in
4 the state or country under whose law the foreign limited liability company
5 is organized stating that *[it]* **the foreign limited liability company** has
6 been dissolved or has ceased to exist as the result of a merger or other re-
7 organization transaction; or

8 “[8] (9) The period of duration of the foreign limited liability company
9 expires.

10 **“SECTION 26.** ORS 65.001 is amended to read:

11 “65.001. As used in this chapter:

12 “(1) ‘Anniversary’ means the day each year that is exactly one or more
13 years after the date on which the Office of the Secretary of State files the
14 articles of incorporation for a domestic corporation or the date on which the
15 office files an application for authority to transact business for a foreign
16 corporation[.], **except that** an event that would otherwise cause an anni-
17 versary to fall on February 29 will cause the anniversary to fall on February
18 28.

19 “(2) ‘Approved by the members’ or ‘approval by the members’ means ap-
20 proved or ratified by the members entitled to vote on the issue through ei-
21 ther:

22 “(a) The affirmative vote of a majority of the votes of the members re-
23 presented and voting at a duly held meeting at which a quorum is present
24 or the affirmative vote of a greater proportion including the votes of any
25 required proportion of the members of any class as the articles, bylaws or
26 this chapter may provide for specified types of member action; or

27 “(b) A written ballot or written consent in conformity with this chapter.

28 “(3) ‘Articles of incorporation’ or ‘articles’ means the articles described
29 in ORS 65.047, amended and restated articles of incorporation or articles of
30 merger, and corrections to the articles.

1 “(4) ‘Board’ or ‘board of directors’ means the individual or individuals
2 **who are** vested with overall management of the affairs of the domestic or
3 foreign corporation, irrespective of the name by which the individual or in-
4 dividuals are designated, except that an individual or a group of individuals
5 is not the board of directors because of powers delegated to the individual
6 or group under ORS 65.301.

7 “(5) ‘Bylaws’ means the code or codes of rules, other than the articles
8 adopted under this chapter or the laws governing a foreign corporation, for
9 regulating or managing the affairs of the domestic or foreign corporation,
10 irrespective of the name or names by which the rules are designated.

11 “(6) ‘Class’ means a group of memberships that have the same rights with
12 respect to voting, dissolution, redemption and transfer. For the purpose of
13 this section, rights are the same if the rights are determined by a formula
14 applied uniformly.

15 “(7)(a) ‘Contact address’ means a mailing address, **including the prin-**
16 **cipal office of a corporation or foreign corporation, or a business or**
17 **residential address** at which a person affiliated with the [*organization*]
18 **corporation or foreign corporation will or has consented to** receive and
19 transmit [*to the organization*] notices intended for the **corporation or for-**
20 **foreign** [*or domestic*] corporation either when sending the notices to the regis-
21 tered agent is not practical or when a duplicate notice is desirable. [*The*
22 *contact address may be the principal place of business, if any, or the business*
23 *or residence address of any person associated with the corporation or foreign*
24 *corporation who has consented to serve, but may not be the address of the*
25 *registered agent.*]

26 “(b) ‘Contact address’ **does not include the address of a registered**
27 **agent.**

28 “(8) ‘Corporation’ or ‘domestic corporation’ means a nonprofit corporation
29 that is not a foreign corporation, and that is incorporated under or subject
30 to the provisions of this chapter.

1 “(9) [*Delegates’ means those persons*] **‘Delegate’ means a person** elected
2 or appointed to vote in a representative assembly for electing a director or
3 directors or on other matters.

4 “(10) ‘Deliver’ means any method of delivery used in conventional com-
5 mercial practice, including delivery by hand, mail, commercial delivery and
6 electronic transmission.

7 “(11) [*Directors’ means individuals*] **‘Director’ means an individual**
8 whom the articles or bylaws designate or whom the incorporators elect to
9 act as [*members*] **a member** of the board, and [*the successors to the individ-*
10 *uals*] **a successor to the individual.**

11 “(12) ‘Distribution’ means paying a dividend or any part of the income or
12 profit of a corporation to the corporation’s members, directors or officers,
13 other than paying value for property received or services performed or pay-
14 ing benefits to further the corporation’s purposes.

15 “(13) ‘Domestic business corporation’ means a for profit corporation that
16 is incorporated under ORS chapter 60.

17 “(14) ‘Domestic limited liability company’ means an unincorporated asso-
18 ciation that has one or more members and that is organized under ORS
19 chapter 63.

20 “(15) ‘Domestic professional corporation’ means a corporation that is or-
21 ganized under ORS chapter 58 for the purpose of rendering professional ser-
22 vices and for the purposes provided under ORS chapter 58.

23 “(16) ‘Effective date of notice’ has the meaning given that term in ORS
24 65.034.

25 “(17) ‘Employee’ includes an officer or director whom the corporation
26 employs with compensation for services beyond those encompassed by board
27 membership.

28 “(18) ‘Entity’ means a corporation, foreign corporation, business corpo-
29 ration and foreign business corporation, profit and nonprofit unincorporated
30 association, corporation sole, business trust, partnership, two or more per-

1 sons that have a joint or common economic interest, any state, the United
2 States, a federally recognized Native American or American Indian tribal
3 government and any foreign government.

4 “(19) ‘File,’ ‘filed’ or ‘filing’ means reviewed, accepted and entered in the
5 Office of the Secretary of State.

6 “(20) ‘Foreign business corporation’ means a for profit corporation that
7 is incorporated under laws other than the laws of [*this*] **the** state.

8 “(21) ‘Foreign corporation’ means a corporation that is organized under
9 laws other than the laws of [*this*] **the** state and that would be a nonprofit
10 corporation if formed under the laws of [*this*] **the** state.

11 “(22) ‘Foreign limited liability company’ means an unincorporated associ-
12 ation that is organized under laws other than the laws of [*this*] **the** state and
13 that is organized under a statute under which an association may be formed
14 that affords to each of the entity’s members limited liability with respect to
15 liabilities of the entity.

16 “(23) ‘Foreign professional corporation’ means a professional corporation
17 that is organized under laws other than the laws of [*this*] **the** state.

18 “(24) ‘Governmental subdivision’ includes an authority, county, district
19 and municipality.

20 “(25) ‘Individual’ means a natural person, including the guardian of an
21 incompetent individual.

22 “(26)(a) ‘Member’ means a person that is entitled, under a domestic or
23 foreign corporation’s articles or bylaws, without regard to what the person
24 is called in the articles or bylaws, to vote on more than one occasion to elect
25 a director or directors.

26 “(b) **‘Member’ does not include:**

27 “(A) A person [*is not a member by virtue of any*] **that has only one or**
28 **more** of the following rights [*the person has*]:

29 “[A] (i) As a delegate;

30 “[B] (ii) To designate or appoint a director or directors;

1 “[(C)] (iii) As a director; or

2 “[(D)] (iv) As a holder of an evidence of indebtedness the corporation has
3 issued or will issue.

4 “[c)] (B) [*Notwithstanding the provisions of paragraph (a) of this sub-*
5 *section, a person is not a member if the person’s]* **A person whose** member-
6 ship rights have been eliminated as provided in ORS 65.164 or 65.167.

7 “(27) ‘Membership’ means the rights and obligations a member has under
8 this chapter.

9 “(28) ‘Mutual benefit corporation’ means a domestic corporation that is
10 formed as a mutual benefit corporation under ORS 65.044 to 65.067 and is
11 designated a mutual benefit corporation by a statute or does not come within
12 the definition of public benefit or religious corporation.

13 “(29) ‘Nonprofit corporation’ means a mutual benefit corporation, a public
14 benefit corporation or a religious corporation.

15 “(30) ‘Notice’ has the meaning given that term in ORS 65.034.

16 “(31) ‘Office,’ when used to refer to the administrative unit directed by
17 the Secretary of State, means the Office of the Secretary of State.

18 “(32) ‘Person’ means individual or entity.

19 “(33)(a) ‘Principal office’ means the physical street address of the place,
20 in or out of this state, where the principal executive offices of a domestic
21 or foreign corporation are located and that is designated as the principal
22 office in the most recent annual report filed pursuant to ORS 65.787 or, if
23 no annual report is on file, in the articles of incorporation or the application
24 for authority to transact business in this state.

25 “(b) **‘Principal office’ does not include a commercial mail receiving**
26 **agency, a mail forwarding business or a virtual office.**

27 “(34) ‘Proceeding’ means a civil, criminal, administrative or investigatory
28 action.

29 “(35) ‘Public benefit corporation’ means a domestic corporation that:

30 “(a) Is formed as a public benefit corporation under ORS 65.044 to 65.067,

1 is designated as a public benefit corporation by a statute, is recognized as
2 tax exempt under section 501(c)(3) of the Internal Revenue Code of 1986 or
3 is otherwise organized for a public or charitable purpose;

4 “(b) Is restricted so that on dissolution the corporation must distribute
5 the corporation’s assets to an organization organized for a public or chari-
6 table purpose, a religious corporation, the United States, a state or a person
7 that is recognized as exempt under section 501(c)(3) of the Internal Revenue
8 Code of 1986; and

9 “(c) Does not come within the definition of ‘religious corporation.’

10 “(36) ‘Record date’ means the date established under ORS 65.131 to 65.177
11 or 65.201 to 65.254 on which a corporation determines the identity of the
12 corporation’s members and the members’ membership rights for the purposes
13 of this chapter.

14 “(37) ‘Religious corporation’ means a domestic corporation that is formed
15 as a religious corporation under ORS 65.044 to 65.067, is designated a reli-
16 gious corporation by a statute or is organized primarily or exclusively for
17 religious purposes.

18 “(38) ‘Remote communication’ means any method by which a person that
19 is not physically present at the location at which a meeting occurs may
20 nevertheless hear or otherwise communicate at substantially the same time
21 with other persons at the meeting and have access to materials necessary to
22 participate or vote in the meeting to the extent of the person’s authorization
23 to participate or vote.

24 “(39) ‘Secretary,’ when used in the context of a corporate official, means
25 the corporate officer to whom the board of directors has delegated responsi-
26 bility under ORS 65.371 for preparing the minutes of the directors’ and
27 members’ meetings and for authenticating the records of the corporation.

28 “(40) ‘State,’ when referring to a part of the United States, means a state,
29 commonwealth, territory or insular possession of the United States and the
30 agencies and governmental subdivisions of the state, commonwealth, terri-

1 tory or insular possession.

2 “(41) ‘Uncompensated officer’ means an individual who serves in an office
3 without compensation for personal service. For purposes of this subsection,
4 payment solely for actual expenses in performing duties of the officer or a
5 stipend that is paid only to compensate the average expenses the individual
6 incurs over the course of a year is not compensation.

7 “(42) ‘United States’ means **the federal government or** a district, au-
8 thority, bureau, commission, department or any other agency of the United
9 States.

10 “(43) ‘Vote’ means authorization by written ballot and written consent,
11 where permitted.

12 “(44) ‘Voting power’ means the total number of votes entitled to be cast
13 on an issue at the time the determination of voting power is made, excluding
14 a vote that is contingent upon a condition or event occurring that has not
15 occurred at the time.

16 **“SECTION 27.** ORS 65.111 is amended to read:

17 “65.111. (1) Each corporation shall continuously maintain in this state
18 both:

19 “[1] (a) A registered agent, who [*shall*] **must** be:

20 “[a] (A) An individual who resides in this state;

21 “[b] (B) A corporation, domestic business corporation, domestic limited
22 liability company or domestic professional corporation with an office in this
23 state; or

24 “[c] (C) A foreign corporation, foreign business corporation, foreign
25 limited liability company or foreign professional corporation authorized to
26 transact business in this state with an office in this state; and

27 “[2] (b) A registered office of the corporation, which [*shall*] **must** be the
28 residence or office address of the registered agent.

29 **“(2) A registered office under this section must be located at a**
30 **physical street address where process may be personally served on the**

1 **registered agent. The registered office may not be a commercial mail**
2 **receiving agency, a mail forwarding business or a virtual office.**

3 **“SECTION 28.** ORS 70.020 is amended to read:

4 “70.020. Each limited partnership shall continuously maintain in this
5 state an office at which the records referred to in ORS 70.050 shall be kept.
6 The office may be but need not be a place of business of the limited part-
7 nership in this state **and may not be a commercial mail receiving**
8 **agency, a mail forwarding business or a virtual office.**

9 **“SECTION 29.** ORS 70.025 is amended to read:

10 “70.025. (1)(a) A domestic limited partnership and a foreign limited part-
11 nership that does business in this state and all general partners of each do-
12 mestic limited partnership or foreign limited partnership must continuously
13 maintain in this state a registered agent and a registered office. The regis-
14 tered office must be located at a physical street address where process may
15 be personally served on the registered agent. The registered office may not
16 be a commercial mail receiving agency, **a mail forwarding business or a**
17 **virtual office.**

18 “(b) The registered agent must be:

19 “(A) An individual resident of this state who has a business office in this
20 state;

21 “(B) A domestic corporation, domestic limited liability company, domestic
22 professional corporation or domestic nonprofit corporation that has a busi-
23 ness office in this state; or

24 “(C) A foreign corporation, foreign limited liability company, foreign
25 professional corporation or foreign nonprofit corporation that is authorized
26 to transact business in this state and has a business office in this state.

27 “(2) A domestic or foreign limited partnership and the general partners
28 of the domestic or foreign limited partnership may change the registered
29 agent of the domestic or foreign limited partnership by submitting for filing
30 to the Office of Secretary of State a statement described in this subsection.

1 The statement must be executed by a general partner. Filing the statement
2 immediately terminates the existing registered agent and establishes the
3 newly appointed registered agent as the registered agent of the domestic or
4 foreign limited partnership and the general partners of the domestic or for-
5 eign limited partnership. The statement must include:

6 “(a) The name of the domestic or foreign limited partnership and the
7 name and address of each general partner of the domestic or foreign limited
8 partnership; and

9 “(b) The name of the successor registered agent and the physical street
10 address of the registered agent’s business office in this state.

11 **“SECTION 30.** ORS 128.575 is amended to read:

12 “128.575. (1) Any business trust desiring to do business in this state shall
13 first submit to the Office of Secretary of State a copy of the trust instrument
14 creating the trust and any subsequent amendments to the trust and a docu-
15 ment setting forth:

16 “(a) The business trust name and the state or country of formation;

17 “(b) The names and addresses of [*its*] **the business trust’s** trustees;

18 “(c) The **physical** street address of the business trust’s registered office
19 in this state, **which must be a location at which process may be per-**
20 **sonally served on the registered agent and that may not be a com-**
21 **mercial mail receiving agency, a mail forwarding business or a virtual**
22 **office**, and the name of the registered agent;

23 “(d) A mailing address to which the Secretary of State may mail notices;
24 and

25 “(e) Any additional identifying information that the Secretary of State
26 by rule may require.

27 “(2) The filing described in subsection (1) of this section [*shall*] **must** be
28 accompanied by the applicable filing fee.

29 “(3) If the Secretary of State finds that the document contains the re-
30 quired information, the Secretary of State, when all fees have been paid,

1 shall file the trust instrument and document and return an acknowledgment
2 of filing to the sender.

3 “(4) If a business trust amends [*its*] a trust instrument [*it*], **the business**
4 **trust** shall submit for filing a copy of the amendment to the Office of Sec-
5 retary of State. The amendment [*shall*] **must** set forth:

6 “(a) The name of the business trust as shown on the records of the Office
7 of Secretary of State; and

8 “(b) The information as changed.

9 **“SECTION 31.** ORS 128.595 is amended to read:

10 “128.595. (1) A business trust by the trust’s anniversary date shall deliver
11 to the office of the Secretary of State for filing an annual report accompa-
12 nied by the annual fee.

13 “(2) The annual report must contain:

14 “(a) The name of the business trust and the state or country under the
15 law of which the business trust is formed;

16 “(b) The names and addresses of the business trust’s trustees;

17 “(c) The physical street address of the business trust’s registered office
18 in this state, which must be a location at which process may be personally
19 served on the registered agent and which may not be a commercial mail re-
20 ceiving agency, **a mail forwarding business or a virtual office**, and the
21 name of the trust’s registered agent at the registered office;

22 “(d) A mailing address to which the Secretary of State may mail notices;

23 “(e) A description of the primary business activity of the business trust;
24 and

25 “(f) Any additional identifying information that the Secretary of State
26 may require by rule.

27 “(3) The annual report must be on forms prescribed and furnished by the
28 Secretary of State. The information contained in the annual report must be
29 current as of 30 days before the anniversary of the business trust.

30 “(4) The Secretary of State shall mail the report form to any address

1 shown for the business trust in the current records of the office of the Sec-
2 retary of State. The business trust's failure to receive the report form from
3 the Secretary of State does not relieve the business trust of the trust's duty
4 under this section to deliver a report to the office.

5 “(5) If the Secretary of State finds the report conforms to the require-
6 ments of this section, the Secretary of State shall file the report.

7 “(6) If the Secretary of State finds that the annual report does not con-
8 form to the requirements of this section, the Secretary of State shall return
9 the report to the business trust. The business trust shall correct the annual
10 report and return the corrected report to the Secretary of State within 45
11 days after the Secretary of State returns the report.

12 “(7) If [no] **a business trust has not filed the** report [is filed] by the
13 reporting date or [if no] **has not filed a** corrected report [is filed] within the
14 45-day period, the Secretary of State shall send to the business trust a final
15 notice advising that a report has not been filed and the Secretary of State,
16 therefore, assumes that the business trust is no longer active unless a report
17 is filed within 45 days after the mailing of the final notice.

18 “(8) Not less than 45 days after the mailing date of the final notice
19 specified in subsection (7) of this section, the Secretary of State may assume
20 and note on the records of the Secretary of State that the business trust is
21 inactive.

22 **“SECTION 32.** ORS 314.840 is amended to read:

23 “314.840. (1) The Department of Revenue may:

24 “(a) Furnish any taxpayer, representative authorized to represent the
25 taxpayer under ORS 305.230 or person designated by the taxpayer under ORS
26 305.193, upon request of the taxpayer, representative or designee, with a copy
27 of the taxpayer's income tax return filed with the department for any year,
28 or with a copy of any report filed by the taxpayer in connection with the
29 return, or with any other information the department considers necessary.

30 “(b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

1 “(c) Publish statistics so classified as to prevent the identification of in-
2 come or any particulars contained in any report or return.

3 “(d) Disclose a taxpayer’s name, address, telephone number, refund
4 amount, amount due, Social Security number, employer identification number
5 or other taxpayer identification number to the extent necessary in con-
6 nection with collection activities or the processing and mailing of corre-
7 spondence or of forms for any report or return required in the administration
8 of any local tax under ORS 305.620 or any law imposing a tax upon or
9 measured by net income.

10 “(2) The department also may disclose and give access to information de-
11 scribed in ORS 314.835 to:

12 “(a) The Governor of the State of Oregon or the authorized representative
13 of the Governor with respect to an individual who is designated as being
14 under consideration for appointment or reappointment to an office or for
15 employment in the office of the Governor. The information disclosed shall
16 be confined to whether the individual:

17 “(A) Has filed returns with respect to the taxes imposed by ORS chapter
18 316 for those of not more than the three immediately preceding years for
19 which the individual was required to file an Oregon individual income tax
20 return.

21 “(B) Has failed to pay any tax within 30 days from the date of mailing
22 of a deficiency notice or otherwise respond to a deficiency notice within 30
23 days of its mailing.

24 “(C) Has been assessed any penalty under the Oregon personal income tax
25 laws and the nature of the penalty.

26 “(D) Has been or is under investigation for possible criminal offenses
27 under the Oregon personal income tax laws. Information disclosed pursuant
28 to this paragraph shall be used only for the purpose of making the appoint-
29 ment, reappointment or decision to employ or not to employ the individual
30 in the office of the Governor.

1 “(b) An officer or employee of the Oregon Department of Administrative
2 Services duly authorized or employed to prepare revenue estimates, or a
3 person contracting with the Oregon Department of Administrative Services
4 to prepare revenue estimates, in the preparation of revenue estimates re-
5 quired for the Governor’s budget under ORS 291.201 to 291.226, or required
6 for submission to the Emergency Board or the Joint Interim Committee on
7 Ways and Means, or if the Legislative Assembly is in session, to the Joint
8 Committee on Ways and Means, and to the Legislative Revenue Officer or
9 Legislative Fiscal Officer under ORS 291.342, 291.348 and 291.445. The De-
10 partment of Revenue shall disclose and give access to the information de-
11 scribed in ORS 314.835 for the purposes of this paragraph only if:

12 “(A) The request for information is made in writing, specifies the purposes
13 for which the request is made and is signed by an authorized representative
14 of the Oregon Department of Administrative Services. The form for request
15 for information shall be prescribed by the Oregon Department of Adminis-
16 trative Services and approved by the Director of the Department of Revenue.

17 “(B) The officer, employee or person receiving the information does not
18 remove from the premises of the Department of Revenue any materials that
19 would reveal the identity of a personal or corporate taxpayer.

20 “(c) The Commissioner of Internal Revenue or authorized representative,
21 for tax administration and compliance purposes only.

22 “(d) For tax administration and compliance purposes, the proper officer
23 or authorized representative of any of the following entities that has or is
24 governed by a provision of law that meets the requirements of any applicable
25 provision of the Internal Revenue Code as to confidentiality:

26 “(A) A state;

27 “(B) A city, county or other political subdivision of a state;

28 “(C) The District of Columbia; or

29 “(D) An association established exclusively to provide services to federal,
30 state or local taxing authorities.

1 “(e) The Multistate Tax Commission or its authorized representatives, for
2 tax administration and compliance purposes only. The Multistate Tax Com-
3 mission may make the information available to the Commissioner of Internal
4 Revenue or the proper officer or authorized representative of any govern-
5 mental entity described in and meeting the qualifications of paragraph (d)
6 of this subsection.

7 “(f) The Attorney General, assistants and employees in the Department
8 of Justice, or other legal representative of the State of Oregon, to the extent
9 the department deems disclosure or access necessary for the performance of
10 the duties of advising or representing the department pursuant to ORS
11 180.010 to 180.240 and the tax laws of [*this*] **the** state.

12 “(g) Employees of the State of Oregon, other than of the Department of
13 Revenue or Department of Justice, to the extent the department deems dis-
14 closure or access necessary for such employees to perform their duties under
15 contracts or agreements between the department and any other department,
16 agency or subdivision of the State of Oregon, in the department’s adminis-
17 tration of the tax laws.

18 “(h) Other persons, partnerships, corporations and other legal entities,
19 and their employees, to the extent the department deems disclosure or access
20 necessary for the performance of such others’ duties under contracts or
21 agreements between the department and such legal entities, in the
22 department’s administration of the tax laws.

23 “(i) The Legislative Revenue Officer or authorized representatives upon
24 compliance with ORS 173.850. Such officer or representative shall not remove
25 from the premises of the department any materials that would reveal the
26 identity of any taxpayer or any other person.

27 “(j) The Department of Consumer and Business Services, to the extent the
28 department requires such information to determine whether it is appropriate
29 to adjust those workers’ compensation benefits the amount of which is based
30 pursuant to ORS chapter 656 on the amount of wages or earned income re-

1 ceived by an individual.

2 “(k) Any agency of the State of Oregon, or any person, or any officer or
3 employee of such agency or person to whom disclosure or access is given by
4 state law and not otherwise referred to in this section, including but not
5 limited to the Secretary of State as Auditor of Public Accounts under Article
6 VI, section 2, of the Oregon Constitution; the Department of Human Services
7 pursuant to ORS 412.094; the Division of Child Support of the Department
8 of Justice and district attorney regarding cases for which they are providing
9 support enforcement services under ORS 25.080; the State Board of Tax
10 Practitioners, pursuant to ORS 673.710; and the Oregon Board of
11 Accountancy, pursuant to ORS 673.415.

12 “(L) The Director of the Department of Consumer and Business Services
13 to determine that a person complies with ORS chapter 656 and the Director
14 of the Employment Department to determine that a person complies with
15 ORS chapter 657, the following employer information:

16 “(A) Identification numbers.

17 “(B) Names and addresses.

18 “(C) Inception date as employer.

19 “(D) Nature of business.

20 “(E) Entity changes.

21 “(F) Date of last payroll.

22 “(m) The Director of the Oregon Health Authority to determine that a
23 person has the ability to pay for care that includes services provided by the
24 Oregon State Hospital, or the Oregon Health Authority to collect any unpaid
25 cost of care as provided by ORS chapter 179.

26 “(n) Employees of the Employment Department to the extent the Depart-
27 ment of Revenue deems disclosure or access to information on a combined
28 tax report filed under ORS 316.168 is necessary to performance of their duties
29 in administering the tax imposed by ORS chapter 657.

30 “(o) The State Fire Marshal to assist the State Fire Marshal in carrying

1 out duties, functions and powers under ORS 453.307 to 453.414, the employer
2 or agent name, address, telephone number and standard industrial classi-
3 fication, if available.

4 “(p) Employees of the Department of State Lands for the purposes of
5 identifying, locating and publishing lists of taxpayers entitled to unclaimed
6 refunds as required by the provisions of chapter 694, Oregon Laws 1993. The
7 information shall be limited to the taxpayer’s name, address and the refund
8 amount.

9 “(q) In addition to the disclosure allowed under ORS 305.225, state or lo-
10 cal law enforcement agencies to assist in the investigation or prosecution
11 of the following criminal activities:

12 “(A) Mail theft of a check, in which case the information that may be
13 disclosed shall be limited to the stolen document, the name, address and
14 taxpayer identification number of the payee, the amount of the check and the
15 date printed on the check.

16 “(B) The counterfeiting, forging or altering of a check submitted by a
17 taxpayer to the Department of Revenue or issued by the Department of
18 Revenue to a taxpayer, in which case the information that may be disclosed
19 shall be limited to the counterfeit, forged or altered document, the name,
20 address and taxpayer identification number of the payee, the amount of the
21 check, the date printed on the check and the altered name and address.

22 “(r) The United States Postal Inspection Service or a federal law
23 enforcement agency, including but not limited to the United States Depart-
24 ment of Justice, to assist in the investigation of the following criminal ac-
25 tivities:

26 “(A) Mail theft of a check, in which case the information that may be
27 disclosed shall be limited to the stolen document, the name, address and
28 taxpayer identification number of the payee, the amount of the check and the
29 date printed on the check.

30 “(B) The counterfeiting, forging or altering of a check submitted by a

1 taxpayer to the Department of Revenue or issued by the Department of
2 Revenue to a taxpayer, in which case the information that may be disclosed
3 shall be limited to the counterfeit, forged or altered document, the name,
4 address and taxpayer identification number of the payee, the amount of the
5 check, the date printed on the check and the altered name and address.

6 “(s) The United States Financial Management Service, for purposes of
7 facilitating the offsets described in ORS 305.612.

8 “(t) A municipal corporation of this state for purposes of assisting the
9 municipal corporation in the administration of a tax of the municipal cor-
10 poration that is imposed on or measured by income, wages or net earnings
11 from self-employment. Any disclosure under this paragraph may be made only
12 pursuant to a written agreement between the Department of Revenue and the
13 municipal corporation that ensures the confidentiality of the information
14 disclosed.

15 “(u) A consumer reporting agency, to the extent necessary to carry out
16 the purposes of ORS 314.843.

17 “(v) The Public Employees Retirement Board, to the extent necessary to
18 carry out the purposes of ORS 238.372 to 238.384, and to any public employer,
19 to the extent necessary to carry out the purposes of ORS 237.635 (3) and
20 237.637 (2).

21 **“(w) The Secretary of State for the purpose of initiating or sup-**
22 **porting a recommendation under section 2 (3) or 5 (3) of this 2017 Act**
23 **to administratively dissolve a corporation or limited liability company**
24 **that the Director of the Department of Revenue determines has failed**
25 **to comply with applicable tax laws of the state.**

26 “(3)(a) Each officer or employee of the department and each person de-
27 scribed or referred to in subsection (2)(a), (b), (f) to (L) or (n) to (q) of this
28 section to whom disclosure or access to the tax information is given under
29 subsection (2) of this section or any other provision of state law, prior to
30 beginning employment or the performance of duties involving such disclosure

1 or access, shall be advised in writing of the provisions of ORS 314.835 and
2 314.991, relating to penalties for the violation of ORS 314.835, and shall as
3 a condition of employment or performance of duties execute a certificate for
4 the department, in a form prescribed by the department, stating in substance
5 that the person has read these provisions of law, that the person has had
6 them explained and that the person is aware of the penalties for the violation
7 of ORS 314.835.

8 “(b) The disclosure authorized in subsection (2)(r) of this section shall be
9 made only after a written agreement has been entered into between the De-
10 partment of Revenue and the person described in subsection (2)(r) of this
11 section to whom disclosure or access to the tax information is given, pro-
12 viding that:

13 “(A) Any information described in ORS 314.835 that is received by the
14 person pursuant to subsection (2)(r) of this section is confidential informa-
15 tion that may not be disclosed, except to the extent necessary to investigate
16 or prosecute the criminal activities described in subsection (2)(r) of this
17 section;

18 “(B) The information shall be protected as confidential under applicable
19 federal and state laws; and

20 “(C) The United States Postal Inspection Service or the federal law
21 enforcement agency shall give notice to the Department of Revenue of any
22 request received under the federal Freedom of Information Act, 5 U.S.C. 552,
23 or other federal law relating to the disclosure of information.

24 “(4) The Department of Revenue may recover the costs of furnishing the
25 information described in subsection (2)(L), (m) and (o) to (q) of this section
26 from the respective agencies.

27 **“SECTION 33.** ORS 554.082 is amended to read:

28 “554.082. (1) A corporation shall continuously maintain in this state a
29 registered agent and registered office that may be, but need not be, the same
30 as any of the corporation’s places of business. The registered office must be

1 located at a physical street address where process may be personally served
2 on the registered agent. The registered office may not be a commercial mail
3 receiving agency, **a mail forwarding business or a virtual office.**

4 “(2) A registered agent must be:

5 “(a) An individual who resides in this state and whose business office is
6 identical to the registered office;

7 “(b) A domestic corporation or domestic nonprofit corporation, the busi-
8 ness office of which is identical to the registered office; or

9 “(c) A foreign corporation or foreign nonprofit corporation that is au-
10 thorized to transact business in this state, the business office of which is
11 identical to the registered office.

12 **“SECTION 34. (1) Sections 2, 3, 5 and 6 of this 2017 Act and the**
13 **amendments to ORS 56.035, 60.001, 60.004, 60.047, 60.074, 60.111, 60.131,**
14 **60.647, 60.661, 60.737, 62.155, 63.001, 63.004, 63.047, 63.074, 63.111, 63.647,**
15 **63.661, 63.737, 65.001, 65.111, 70.020, 70.025, 128.575, 128.595, 314.840 and**
16 **554.082 by sections 7 to 33 of this 2017 Act become operative on January**
17 **1, 2018.**

18 **“(2) The Secretary of State and the Director of the Department of**
19 **Revenue may adopt rules and take any other action before the opera-**
20 **tive date specified in subsection (1) of this section that is necessary**
21 **to enable the Secretary of State or the director to exercise, on or after**
22 **the operative date specified in subsection (1) of this section, all of the**
23 **duties, powers and functions conferred on the Secretary of State and**
24 **the director by sections 2, 3, 5 and 6 of this 2017 Act and the amend-**
25 **ments to ORS 56.035, 60.001, 60.004, 60.047, 60.074, 60.111, 60.131, 60.647,**
26 **60.661, 60.737, 62.155, 63.001, 63.004, 63.047, 63.074, 63.111, 63.647, 63.661,**
27 **63.737, 65.001, 65.111, 70.020, 70.025, 128.575, 128.595, 314.840 and 554.082**
28 **by sections 7 to 33 of this 2017 Act.**

29 **“SECTION 35. This 2017 Act takes effect on the 91st day after the**
30 **date on which the 2017 regular session of the Seventy-ninth Legislative**

1 **Assembly adjourns sine die.”.**

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