

Oregon House of Representatives
House Committee on Business and Labor
Hearing on HB 2998
March 13, 2019

HB 2998 Testimony

Chair Jeff Barker, Vice-Chair Greg Barreto, Vice-Chair Janelle Bynum and members of the committee.

Thank you for the opportunity to provide testimony in support of House Bill 2998.

My name is Genevieve Sheridan. I am the Executive Director of MERIT (MicroEnterprise Resources Initiatives & Training) in Salem, Oregon. MERIT is a 501(c)3, established in 2008 with the mission to eradicate poverty through self-employment and financial education. I work every day to ensure that all Oregonians have access to economic opportunity, and I support HB 2998.

House Bill 2998 removes the English language only requirement for forms within the Secretary of State Corporation Division. This requirement has created barriers and diminished opportunities for entrepreneurs with Limited English Proficiency (LEP). Over half of my clients are bilingual. They do speak and write English at various levels of proficiency, but most do not have mastery of business and legal vocabulary to understand the form headings and legal attestations they are signing on the more than 70 forms within the Corporation Division. This bill will ensure the availability of Oregon's top LEP languages, as documented by LEP.gov, which are Spanish, Russian, Chinese, Vietnamese, and Korean. According to the U.S. Department of Justice Civil Rights Division, as of 2015, the state of Oregon had over 225,000 residents with Limited English Proficiency.

About two years ago, when the Secretary of State hired three bilingual staff members in the Corporation Division call center, we noticed a decrease in the number of clients asking for our help to register, update or dissolve their business name registrations. We still provide a significant amount of technical assistance for business name filings. If our staff of 3.5 FTE's could refer clients to bilingual state agency staff to fill out paper or online business name forms, MERIT could serve many more clients and in more meaningful ways to develop their businesses into a transferrable assets and realize a greater level of self-sufficiency. Registering a business

name is the first step in protecting the legal right to use the name, obtaining an EIN through the IRS, opening a business bank account, filing taxes correctly and building business assets.

Last fiscal year, 91% of all clients we served at MERIT lived in poverty and all were entrepreneurs. Many people don't realize that entrepreneurs are also recipients of government assistance such as SNAP. They have a strong desire for self-sufficiency but do not have business education or experience, and that is why they come to MERIT. Our clients are usually working long hours at low wage jobs while they launch a microenterprise that supplements their family's income and can later on become a full-time endeavor. Some of our clients have grown businesses that employ more than five people, graduating out of the definition of microenterprise, but Oregon continues to be a home for bootstrapping a micro-business. The Association for Enterprise Opportunity shows that 86% of all registered business entities in Oregon have 5 or fewer employees.

I have been fortunate to meet with the Secretary of State Corporation Division, including two bilingual staff members from their call center. I greatly appreciate their willingness to collaborate. I learned that the Corporation Division at one time had a Spanish language form but had to remove it because of the current statute. MERIT looks forward to working together to design and implement efficient solutions to ensure the success of the changes outlined in HB 2998 to create prosperity for more Oregonians. The total costs of this bill are still under review, but the estimates I have heard lead me to believe that this bill will more than pay for itself. The Secretary of State staff estimates that 17,000 new businesses will be registered per biennium. Filing fees are \$50 to \$100 per business. The Small Business Administration has found that minority-owned businesses in Oregon on average employ 7 people. According to the SBA's Small Business Profile for Oregon, the median annual income for individuals self-employed at their own incorporated businesses was over \$45,000 in 2016.

HB 2998 is an investment in our economy with a high rate of return potential for both tax revenue and job creation. Please support HB 2998.

Thank you.



Genevieve M. Sheridan
Executive Director
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