

HB 2325 A STAFF MEASURE SUMMARY

Carrier: Sen. Hansell

Senate Committee On Business and General Government

Action Date: 04/16/19

Action: Do pass the A-Eng bill.

Vote: 5-0-0-0

Yeas: 5 - Dembrow, Girod, Hass, Olsen, Riley

Fiscal: Fiscal impact issued

Revenue: Has minimal revenue impact

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 4/16

WHAT THE MEASURE DOES:

Authorizes Secretary of State to adopt rules identifying method by which Secretary will send notice related to certain business filings. Requires business to opt-in to alternative method and retains postal requirement for notices related to administrative dissolution and suspension or revocation of authority to transact business in this state. Reduces filing fee, from \$275 to \$100, for certain documents filed on behalf of Indian tribe or by entity authorized to conduct business by Indian tribe. Takes effect on 91st day following adjournment sine die. Becomes operative on July 1, 2020.

ISSUES DISCUSSED:

- Biennial cost of \$400,000 to mail renewal notices
- Benefits of allowing filers to opt into electronic notice
- Benefits of allowing Oregon tribes to pay domestic filing fees

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Secretary of State is responsible for maintaining a wide array of business records on behalf of the public. These records include corporate registrations and annual reports, trade and service marks, and Uniform Commercial Code filings required to perfect a lien. State statutes govern the manner in which these records are filed, the associated fee for filing the records, and the obligation of the Secretary to provide certain notices related to these records.

House Bill 2325-A makes two changes to the Secretary's obligations as business records filing officer. First, the bill authorizes the Secretary to identify by rule an alternative method for sending notices related to certain business filings in lieu of or in addition to a written notice sent by mail. The bill requires the business to affirmatively opt-in to this alternative method. Second, the bill reduces the filing fee, from \$275 to \$100, for certain business filings made by any of Oregon's nine federally recognized Indian tribes or by an entity authorized to conduct business by one of the tribes.