

HB 2377 -2 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/24, 3/8

WHAT THE MEASURE DOES:

Allows claims against the insurance assets of a dissolved corporation or limited liability company beyond time limitations that otherwise would bar the claim. Specifies manner in which claimant can serve process upon the dissolved business. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Acknowledges and sets aside separate provisions for service of process for dissolved businesses. Clarifies retroactive application of provisions of this Act. Clarifies that provisions of this Act revive and extend claims previously extinguished by time limitations in prior dissolution statutes.

Minimal fiscal impact

No revenue impact

BACKGROUND:

Under current law, a corporation or limited liability company must notify its known claimants in writing that the business has voluntarily dissolved. The notice must include the deadline to make a claim, which must be at least 120 days from the effective date of the notice. The business may also publish a notice of its dissolution and information on how to make a claim. This applies to claimants who did not receive written notice, claimant who made a timely claim that the business did not act upon, and claimants who have a claim that is contingent on an event that occurred after the business dissolved. These claimants have five years from the publication of the newspaper notice to make a claim.

The State of Oregon is potentially responsible for costs to remediate the Portland Harbor Superfund Site. According to the Oregon Department of Justice, there are companies who have contaminated the Portland Harbor Site but they have voluntarily dissolved long ago but likely have insurance assets that could reduce the costs allocated to other responsible parties. If the insurance assets were available, the cleanup of the site could occur more quickly.

House Bill 2377 allows claims that may be satisfied by insurance assets held by a voluntarily dissolved business to be made beyond the time limitations that otherwise apply.