

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3110 - A

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: April 20, 2021

Measure Description:

Requires board of directors of publicly traded corporation to have specified proportion of female directors and directors who are members of underrepresented communities.

Government Unit(s) Affected:

Secretary of State (SOS), Bureau of Labor and Industries (BOLI), Oregon Judicial Department (OJD), Department of Consumer and Business Services (DCBS), Department of Justice (DOJ)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

HB 3110 A-Engrossed requires publicly traded corporations, as defined in the measure, to have a diverse board of directors. Effective January 1, 2024, the measure requires the corporation’s board of directors to include at least one female director and one director who is a member of an underrepresented community. The corporation may increase the number of directors on the board to comply with these requirements. The measure defines ‘female’ and ‘underrepresented community’ for purposes of the measure. Corporations must also meet annual reporting requirements set by the Secretary of State (SOS) in administrative rule. The Secretary of State will use reported information from corporations to publish an annual report that lists the number of corporations that have complied with the provisions of the measure in addition to other specified information. Corporations that fail to file information with SOS are in violation of the measure and the Secretary of State is authorized to impose civil penalties that start at \$10,000.

Secretary of State (SOS)

SOS estimates the fiscal impact of this measure to be a onetime cost of \$122,171 Other Funds in the 2021-23 biennium. Under current practice, the Corporate Division of the Secretary of State does not capture the information regarding publicly traded corporations that would be necessary to ensure compliance with the requirements of the measure, including the race, ethnicity, and gender of board members. This estimate reflects the cost of updating systems to capture new data, developing and implementing new forms, and developing and providing training for publicly traded corporations, as well as compliance activities.

Bureau of Labor and Industries (BOLI), Oregon Judicial Department (OJD), Department of Consumer and Business Services (DCBS), Department of Justice (DOJ)

Passage of this measure is anticipated to have no fiscal impact on BOLI, OJD, DCBS, and DOJ.