

**HB 2377 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Manning Jr

**Senate Committee On Judiciary and Ballot Measure 110  
Implementation**

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**Action Date:** 05/18/21  
**Action:** Do pass the A-Eng bill.  
**Vote:** 4-3-0-0  
**Yeas:** 4 - Dembrow, Gelser, Manning Jr, Prozanski  
**Nays:** 3 - Heard, Linthicum, Thatcher  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact  
**Prepared By:** Channa Newell, Counsel  
**Meeting Dates:** 4/19, 5/18

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**WHAT THE MEASURE DOES:**

Provides process for satisfying claims, in whole or in part, against dissolved company through insurance assets of company that was formally dissolved. Specifies that claims against dissolved corporations that can be satisfied through insurance assets are not subject to certain time limitations outlined in Oregon laws. Specifies process for service of summons for claim to director or officer of company, or person in charge of dissolving company's assets, or to agent authorized to accept service if director, officer, or person in charge cannot be located. Allows service on Secretary of State if claimant states they used due diligence to locate persons in affidavit to court. Applies to dissolved corporations and limited liability companies. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Dissolution can be administrative or formal
- Assets of entities that dissolve administratively may be utilized for pollution and environmental damages
- Assets of entities still in existence may be utilized for damages
- Assets of entities that formally dissolved may not be utilized for pollution or environmental damages
- Applies to pre-1986 insurance contracts

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

A corporation or limited liability company that dissolves must publish notice of the dissolution in a newspaper of general circulation in the county in which the principal office is located. The notice must include information on what is needed to make a claim against the company and where to send that claim. Unless certain circumstances exist, claims must be made within five years of the newspaper notice.

House Bill 2377 A provides a process to seek insurance assets held by or on behalf of a dissolved corporation or limited liability company.