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Chair Fahey, Vice-Chair Breese Iverson, Vice-Chair Kropf, and Members of the Committee:

Thank you for holding a public hearing on <u>HB2108</u> in House Rules. This technical fix from our Corporation Division to remove the 20 day period for our filing office to correct mistakes will make business registration processes more efficient. We also noticed another issue related to filings that needed to be corrected with a -1 amendment.

In 2019, the Legislature passed HB2998 where a signature was required on a declaration for filings from nonprofit corporations. This requirement was already in place for corporations and limited liability companies (LLCs).

Due to an error in the Corporation Division's electronic filing system, the Division accepted certain filings without the required declaration. The Division could help them correct their previous filings, but there is uncertainty if the correction would be effective because the statute could be interpreted to require the entity to submit its declaration at the time of the original filing. Corrections would also require substantial resources.

The Legislature can provide assurance to Oregon corporations, limited liability companies (LLCs), and nonprofit corporations on the validity of their filings without attestations by adding new provisions to statute. The -1 amendment would specify that filings made between January 1, 2020 and the effective date of this Act are not invalid solely because they were accepted without the declaration required in statute. This change in HB2108-1 will promote trust and transparency between Oregonians and the public services they rely on. We hope to get your support.

Thank you,

Kathy Wai

Legislative and Policy Advisor