

SHEMIA FAGAN
SECRETARY OF STATE

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Dear Chair Bynum, Vice-Chair Morgan, Vice-Chair Nguyen, and Members of the Committee,

My name is Jessica Ventura, Legislative Director for Secretary Fagan. Secretary Fagan's mission is to build **trust** between the people of Oregon and our state government so that public services can make a positive impact in people's lives. One of the ways we build trust, is by providing services to businesses, non-profits, and small businesses in Oregon. We submit the following information on [HB 3272](#), which permits us to share and communicate about ethnicity, domicile and veteran status of owners or principals of large business. We do not have a position at this point.

As part of its entity registration function, the Secretary of State (SOS) collects and reports data on entity names, owners' names, and business addresses. We make this data available online to the public through the [Business Registry Database \(ORS 56.180\)](#).

The [Oregon License Directory](#) is a public database maintained by SOS. The public can use the License Directory to find information from state and local agencies about the licensing, permitting, and registration requirements for small businesses.

What Does HB 3272 Do

The bill proposes the following changes to the Secretary of State's current process for collecting and reporting business registration and licensing data.

First, the bill directs the Secretary of State to start collecting from state and local agencies information about the ethnicity, domicile, veteran status and street address or electronic mail address of each owner and principal of a large business (more than 100 employees) that applies for or renews a license, permit or registration. Currently, the Corporation Division makes the data it collects available to the public in two searchable databases mentioned earlier, the Business Registry Database and the Oregon License Directory.

Point of Contact:

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Second, HB 3272 directs SOS to start collecting from state and local agencies information about the ethnicity, domicile, veteran status and street address or electronic mail address of each owner and principal of a large business that applies for or renews a license, permit or registration. The SOS would have to create within the Oregon License Directory a non-public database for agencies to report information about individual license, permit, and registration applications from large businesses.

Suggestions to Improve the Bill

- We ask for a January 1, 2027, operational date for the Corporation Division. This will give us time to implement rules.
- The bill as currently written would prevent us making the information available or searchable on the Internet unless applicants give their written consent however, SOS “may share or communicate” the information with organizations it determines are “community-based”, “fostering economic development”, and “engaged in substantive efforts to increase in this state the number of minority-owned businesses, women-owned businesses, and businesses that veterans own.
- Despite the language in the bill about sharing information with organizations, HB 3272 does not require agencies to collect or report information about an owner’s or principal’s gender.
- The Corporation Division would be collecting significant amount of data and would then have to decide who meets the criteria for accessing this confidential information.
- We did not see language on whether the information collected is voluntary or mandatory to collect. SoS would also need to disclose the business status is self-identified and unverified by SoS
- We recommend creating a new statute for this data collection and new SoS requirement. We believe trying to collect this data under ORS 56.180 or 56.185 poses too many problems.

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- Lastly, the scope and purpose of the Oregon License Directory would expand to include reporting information on licenses, permits, and registrations that impose fees on all businesses—not just small businesses. This would reverse efforts that the Legislature passed HB 2643 in 2013 that specifically focused on improving the business climate for Oregon’s small businesses. That same year the Legislative Assembly also enacted the legislation that created the Office of Small Business Assistance. We are better able to serve the needs of small businesses because of these efforts; as the bill is currently written, the statute would be changed to include reporting information from large businesses.

Thank you for your consideration.

Jessica Ventura
Legislative Director

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