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SECRETARY OF STATE

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TRIBAL LIAISON



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March 13, 2023

Chair Lieber, Vice-Chair Knopp, and Members of the Committee:

HB 2108-A is a technical fix from our Corporation Division to make our business filing processes more efficient.

The mission of the Secretary of State's Office is to build trust between the people of Oregon and our state government so that public services can make a positive impact in peoples' lives. The Corporation Division directly supports Oregon businesses and ensures registration processes are fast, simple, and easy as possible. It is the first stop for business and provides relevant information on government requirements for starting and operating a business.

The current authority that the Secretary of State has under ORS 56.080 requires a 20-day period of time and written notice for the filing office to withdraw a business filing that was filed incorrectly. This has been an ongoing frustration for business owners and for the filing office. Because of the strict requirement in the Statute, it cannot be fixed in rule.

We have a simple solution to this: Revise ORS 56.080 to remove the 20-day period that our filing office has to withdraw an incorrect filing will make the business filing process more efficient for business owners and our filing office.

HB 2108- A also addresses certain filings that were missing information. In 2019, the Legislature passed HB 2998 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. HB 2108-A specifies 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.

OFFICE OF THE SECRETARY OF STATE

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We hope you will support these improvements to our filing processes by passing HB 2108-A.

Thank you,

Kathy Wai

Legislative & Policy Advisor