



DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

DATE: April 25, 2017

TO: Honorable Floyd Prozanski, Chair
Senate Committee on Judiciary

FROM: Cheryl Hiemstra, Deputy Legislative Director

SUBJECT: House Bill 2357– Legal Updates for Entities

This testimony is presented in support of House Bill 2357.

BACKGROUND

In 1993, Oregon followed many other states in allowed a new type of company to operate in Oregon: these are called Limited Liability Companies, commonly known as an “LLC.” Since then, the Legislature has also allowed other types of entities to operate in Oregon, such as Limited Partnerships. Over the years, many parts of the law needed to be updated to include these new entities. HB2357 is another one of these updates.

The update concerns a court’s ability to impose “contempt of court.” Courts have an inherent judicial power to impose contempt. Current law allows for contempt against “natural persons” as well as corporations. The contempt law against corporations was enacted in 1991, and was never updated to include the new types of entities, such as LLCs and Limited Partnerships.

CONCEPT

House Bill 2357 updates ORS 33.025, the contempt against corporations statute, so that courts can impose contempt against all types of entities. The bill also updates definitions that have been updated in other places within the statutes. The bill uses language to match other sections of law where this issue has been updated.

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