

SB 185 -1 STAFF MEASURE SUMMARY

Senate Committee On Judiciary and Ballot Measure 110 Implementation

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Meeting Dates: 2/11, 2/18

WHAT THE MEASURE DOES:

Provides update to nonprofit corporation processes. Allows a nonprofit corporation organized under Oregon law to re-organize under laws of another jurisdiction so long as nonprofit has complied with requirements from other jurisdiction, approved a plan to organize under the laws of the other jurisdiction, and files the plan with the Oregon Secretary of State. Allows a nonprofit organized in another jurisdiction to reorganize under Oregon law if allowed to do so in original jurisdiction and if a plan of domestication is approved and subsequently filed with the Oregon Secretary of State. Specifies notification process to Attorney General for public benefit corporation or religious corporation filing articles of domestication in other jurisdiction. Allows Board and members to take action via electronic means, including email, if not disallowed in articles of incorporation or bylaws. Specifies process for electronic actions. Allows a majority of directors in office at the time of proposed dissolution to approve dissolution.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Removes sections relating to domestication and Board action via electronic means. Retains sections allowing corporate members to take actions via electronic means and dissolution provisions.

BACKGROUND:

The Nonprofit Corporations Act, Chapter 65 of the Oregon Revised Statutes, was adopted in 1989 and governs the formation and procedures of nonprofit corporations created and operating in Oregon. In 2019, Senate Bill 360 provided an extensive update to the Nonprofit Corporations Act.

Senate Bill 185 provides additional updates to Chapter 65. The measure provides a process for a nonprofit formed in a different state or jurisdiction to reorganize under Oregon law, as well as a process for Oregon-formed nonprofits to organize under the laws of another state or jurisdiction. SB 185 allows Board and member actions to happen via electronic means, so long as it is not disallowed by the articles of incorporation or bylaws, and is done in accordance with the procedures outlined in the measure. Finally, the measure allows a majority of the director holding office to approve a dissolution of the corporation, even if less than the number required by under the articles of incorporation or bylaws.