

Requested by Representative POWER

**PROPOSED AMENDMENTS TO
HOUSE BILL 3110**

1 On page 1 of the printed bill, delete lines 5 through 30 and delete pages
2 2 through 4 and insert:

3 **“SECTION 1.** ORS 60.304 is amended to read:

4 “60.304. (1) The articles of incorporation or bylaws may prescribe quali-
5 fications for directors. A director need not be a resident of this state or a
6 shareholder of the corporation unless required by the articles of incorpo-
7 ration or bylaws.

8 **“(2)(a) As used in this subsection:**

9 **“(A) ‘Female’ means an individual who self-identifies as a woman,**
10 **regardless of the sex assigned to the individual at birth.**

11 **“(B) ‘Publicly traded corporation’ means a corporation:**

12 **“(i) The principal executive offices of which, according to the**
13 **corporation’s filings with the federal Securities and Exchange Com-**
14 **mission, are located within this state, without regard to the jurisdic-**
15 **tion under which the corporation is formed, organized or incorporated;**
16 **and**

17 **“(ii) The shares of which are registered on a national securities**
18 **exchange.**

19 **“(C) ‘Underrepresented community’ means a group composed pri-**
20 **marily of:**

21 **“(i) Individuals who identify as having a low income or very low**

1 **income background, as those terms are defined in ORS 458.610; or**
2 **“(ii) Individuals who identify as:**
3 **“(I) Black or African American;**
4 **“(II) Hispanic or Latino;**
5 **“(III) Asian or Asian American;**
6 **“(IV) Native Hawaiian or Pacific Islander;**
7 **“(V) American Indian or Alaska Native, having origins in one of the**
8 **original peoples of North America;**
9 **“(VI) Arabic or North African;**
10 **“(VII) Middle Eastern;**
11 **“(VIII) Having a mixed racial or ethnic heritage; or**
12 **“(IX) Lesbian, gay, bisexual, transgender or another minority**
13 **gender identity or sexual orientation.**
14 **“(b) A publicly traded corporation shall have a minimum of one**
15 **female director and one director who is a member of an underrepre-**
16 **sented community on the corporation’s board of directors. A corpo-**
17 **ration may increase the number of directors on the board of directors**
18 **to comply with this paragraph.**
19 **“(c) A publicly traded corporation violates this subsection if the**
20 **publicly traded corporation:**
21 **“(A) Fails to file information the Secretary of State requires for the**
22 **purposes of publishing the report described in paragraph (f) of this**
23 **subsection; or**
24 **“(B) Does not have on the publicly traded corporation’s board of**
25 **directors during eight or more months of the preceding calendar year**
26 **the number of female directors or directors who are members of an**
27 **underrepresented community required under paragraph (b) of this**
28 **subsection. Each instance in which a female or member of an under-**
29 **represented community does not hold a position on a publicly traded**
30 **corporation’s board of directors that a female or member of an**

1 underrepresented community must hold to comply with this subpara-
2 graph is a violation.

3 “(d) The Secretary of State, in accordance with ORS 183.745, shall
4 impose the following civil penalties for violating this subsection:

5 “(A) For a violation of paragraph (c)(A) of this subsection, \$10,000.

6 “(B) For a first violation of paragraph (c)(B) of this subsection,
7 \$10,000.

8 “(C) For a second or subsequent violation of paragraph (c)(B) of this
9 subsection, \$20,000.

10 “(e) The Secretary of State shall deposit the proceeds of a fine un-
11 der this subsection into the Operating Account established under ORS
12 56.041.

13 “(f) Not later than July 1 of each year, the Secretary of State shall
14 publish on the Secretary of State’s website a report that lists the
15 number of publicly traded corporations that:

16 “(A) Have at least two directors who identify as female or identify
17 as members of underrepresented communities; and

18 “(B) Complied with the requirements of this subsection during the
19 preceding calendar year.

20 “(g) The Secretary of State shall adopt rules to implement the
21 provisions of this subsection.

22 **SECTION 2.** The board of directors of a publicly traded corpo-
23 ration, as defined in ORS 60.304 (2), shall report to the Secretary of
24 State not later than December 31 of each year beginning in 2023 con-
25 cerning the publicly traded corporation’s progress toward meeting the
26 goals specified in ORS 60.304 (2). The Secretary of State by rule may
27 specify the form and contents of the report the board of directors must
28 submit under this section and may specify the amount of a civil pen-
29 alty to which the publicly traded corporation may be liable for failing
30 to submit the report. The Secretary of State shall impose a civil pen-

1 alty under this section in accordance with ORS 183.745.

2 **“SECTION 3. The amendments to ORS 60.304 by section 1 of this**
3 **2021 Act become operative on January 1, 2024.**

4 **“SECTION 4. This 2021 Act takes effect on the 91st day after the**
5 **date on which the 2021 regular session of the Eighty-first Legislative**
6 **Assembly adjourns sine die.”.**

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