

**Testimony before the Senate Judiciary Committee
In support of Senate Bill 185
On behalf of the
Oregon State Bar Nonprofit Organizations Section
February 11, 2021**

Chair Prozanski and Members of the Committee:

My name is Susan Gary. I am a professor at the University of Oregon School of Law, and I am here as a representative of the Oregon State Bar's Nonprofit Organizations Law section in support of SB 185.

The Oregon State Bar (OSB) is a public corporation and an instrumentality of the court with over 15,000 active members. The Oregon State Bar serves the public interest by: regulating the legal profession and improving the quality of legal services; supporting the judiciary and improving the administration of justice; and advancing a fair, inclusive and accessible justice system.

The Nonprofit Organizations Law section of the Oregon State Bar is made up of close to 300 attorneys who practice throughout Oregon. Our members represent clients from eastern Oregon to Hood River, to the Portland metro area and out to the coast. The Nonprofit Organization section's executive committee has 12 members with a wealth of experience throughout the state.

In 2019, the Legislature passed SB 360, which modernized much of Oregon's Nonprofit Corporations Code. SB 185 clarifies and updates a few of the many changes made in SB 360 for greater clarity and ease of use.

The intent of the 2019 changes was to permit both members and directors of nonprofits to take action without an in-person meeting, using email or some other electronic tool, and without unanimous consent. This change was intended to apply to both members and directors. As it was drafted, the language appears in the statute in the "members" part of Chapter 65 but describes directors. It does not appear in the "directors" part of the statute. This bill changes "directors" to "members" in ORS 65.212 and adds similar language in the part of the statutes related to actions by directors.

Additionally, this bill restructures ORS Chapter 65 to make it more clear that there are now two separate methods by which a nonprofit can take some actions without a meeting – one by unanimous consent and one through the new email procedure.

Finally, SB 360 provided that a majority of directors in office may approve a dissolution, even if there are too few directors remaining to constitute a quorum. SB 185 adds language to clarify that if a quorum exists, the quorum must be met.

The bill, as introduced, also addressed domestication. The -1 amendment removes these sections of the bill. The section looks forward to working on this issue with stakeholders and hopes to come back to the legislature in the future.

On behalf of the Oregon State Bar's Nonprofit Organizations Laws Section, I thank the committee for its consideration and urge the passage of Senate Bill 185. I am happy to answer any questions.