



HB 3572: Benefit Companies should not get financial preferences

House Committee Emergency Management, General Government, and Veterans – John Calhoun – 2.30.2023

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate an equitable tax code and an efficient use of state resources.

While we appreciate that the sponsors of this bill are trying to encourage businesses that seek more than profits, we oppose HB 3572 as written. Our opposition comes from both a desire to steward state resources and an understanding of the history of the current law and the purpose of Benefit Companies that many current legislators may not appreciate.

One of the original supporters of the 2013 passage of HB 2296 creating the Benefit Company legal structure in Oregon was William Campbell. He could not be here today, but has submitted testimony that includes the following:

"I worked with Secretary of State Brown and a team of Oregon lawyers to draft and present the Oregon Benefit Company legislation that became Oregon's Benefit Company law.

One of the questions we were asked in committee hearing in the 2013 legislature was "Are you looking for special tax breaks or other benefits." The answer was a definitive "no." That "no" became embodied in the following language preserved in the preamble to the Session Law, which the team working with Secretary Brown endorsed:

Whereas the Legislative Assembly understands and intends that the provisions of this 2013 Act do not give a benefit company a preference for public contracts, provide a benefit company with any tax advantage or otherwise permit the State of Oregon, an agency of the State of Oregon, a local government or an agency of a local government to grant a preference or advantage to a benefit company that is not available on the same basis to any other person or entity, or that is solely a consequence of the benefit company's status as a benefit company; now, therefore

Respectfully – we are entirely willing to adhere to, and defend, the commitment we made to the Oregon legislature ten years ago. We seek no leg up.

We seek only continuing legal protection, as business managers, to bring our whole humanity to our work – to be allowed to keep faith with our investors and our larger community, without being told by courts that doing so is failing to act in our investors' best interest."

I encourage you to read Mr. Campbell's entire letter. He offers other solutions to encourage the use of Benefit companies. Since he has been a partner in one of the most successful Oregon Benefit Companies you might want to discuss his suggestions for improvements in the law.

We read the bills and follow the money