

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2191

By JOINT COMMITTEE ON WAYS AND MEANS

July 4

1 On page 2 of the printed A-engrossed bill, line 4, after the semicolon delete the rest of the line
2 and delete line 5 and insert “and declaring an emergency.”.

3 Delete lines 33 through 38 and insert:

4 “(3)(a) The Director of the Department of Revenue may recommend to the Secretary of State
5 that the Secretary of State administratively dissolve a corporation for a failure to comply with the
6 tax laws of the state, but the director may not recommend administrative dissolution if the director
7 has allowed an appeal of the corporation’s tax liability or another action of the Department of Re-
8 venue related to the corporation’s failure to comply with the tax laws of the state or if an appeal
9 is pending. If the Secretary of State agrees with the director, the Secretary of State may dissolve
10 the corporation under ORS 60.651.

11 “(b) The Secretary of State, in consultation with the department, may specify what constitutes
12 a failure to comply with the tax laws of the state for the purposes set forth in paragraph (a) of this
13 subsection.”.

14 On page 3, line 1, delete the second “or”.

15 In line 2, delete the period and insert “; or

16 “(d) The Department of Revenue recommends a reinstatement.”.

17 Delete lines 7 through 21 and insert:

18 “**SECTION 3. (1) An officer, director, employee or agent of a shell entity is liable for**
19 **damages to a person that suffers an ascertainable loss of money or property as a result of**
20 **the officer, director, employee or agent:**

21 “(a) **Making, issuing, delivering or publishing, or participating in making, issuing, deliv-**
22 **ering or publishing, a prospectus, report, circular, certificate, financial statement, balance**
23 **sheet, public notice or document concerning the shell entity or the shell entity’s shares, as-**
24 **sets, liabilities, capital, dividends, earnings, accounts or business operations that the officer,**
25 **director, employee or agent knows is false in any material respect;**

26 “(b) **Making an entry or causing another person to make an entry in a shell entity’s**
27 **books, records, minutes or accounts that the director, officer, employee or agent knows is**
28 **false in any material respect; or**

29 “(c) **Removing, erasing, altering or canceling, or causing another person to remove,**
30 **erase, alter or cancel, an entry in a shell entity’s books, records, minutes or accounts if by**
31 **means of the removal, erasure, alteration or cancellation the director, officer, employee or**
32 **agent intends to deceive another person.**

33 “(2) **An officer, director, employee or agent of a shell entity that engages in any of the**
34 **actions described in subsection (1) of this section in a submission to, or an interaction with,**
35 **a public agency, as defined in ORS 180.750, makes a false claim and is subject to a civil action**

1 **as provided in ORS 180.750 to 180.785.”.**

2 On page 4, delete lines 4 through 9 and insert:

3 “(3)(a) The Director of the Department of Revenue may recommend to the Secretary of State
4 that the Secretary of State administratively dissolve a limited liability company for a failure to
5 comply with the tax laws of the state, but the director may not recommend administrative dissol-
6 ution if the director has allowed an appeal of the limited liability company’s tax liability or another
7 action of the Department of Revenue related to the limited liability company’s failure to comply with
8 the tax laws of the state or if an appeal is pending. If the Secretary of State agrees with the di-
9 rector, the Secretary of State may dissolve the limited liability company under ORS 63.651.

10 “(b) The Secretary of State, in consultation with the department, may specify what constitutes
11 a failure to comply with the tax laws of the state for the purposes set forth in paragraph (a) of this
12 subsection.”.

13 In line 17, delete the second “or”.

14 In line 18, delete the period and insert “; or

15 “(d) The Department of Revenue recommends a reinstatement.”.

16 Delete lines 24 through 39 and insert:

17 **“SECTION 6. (1) A member, manager, employee or agent of a shell entity is liable for**
18 **damages to a person that suffers an ascertainable loss of money or property as a result of**
19 **the member, manager, employee or agent:**

20 **“(a) Making, issuing, delivering or publishing, or participating in making, issuing, deliv-**
21 **ering or publishing, a prospectus, report, circular, certificate, financial statement, balance**
22 **sheet, public notice or document concerning the shell entity or the shell entity’s shares, as-**
23 **sets, liabilities, capital, dividends, earnings, accounts or business operations that the mem-**
24 **ber, manager, employee or agent knows is false in any material respect;**

25 **“(b) Making an entry or causing another person to make an entry in a shell entity’s**
26 **books, records, minutes or accounts that the member, manager, employee or agent knows**
27 **is false in any material respect; or**

28 **“(c) Removing, erasing, altering or canceling, or causing another person to remove,**
29 **erase, alter or cancel, an entry in a shell entity’s books, records, minutes or accounts if by**
30 **means of the removal, erasure, alteration or cancellation the member, manager, employee**
31 **or agent intends to deceive another person.**

32 **“(2) A member, manager, employee or agent of a shell entity that engages in any of the**
33 **actions described in subsection (1) of this section in a submission to, or an interaction with,**
34 **a public agency, as defined in ORS 180.750, makes a false claim and is subject to a civil action**
35 **as provided in ORS 180.750 to 180.785.”.**

36 On page 11, line 27, after “180.760” insert “and may award to the Attorney General reasonable
37 attorney fees and the costs of investigation, preparation and litigation if the Attorney General pre-
38 vails in the action”.

39 On page 18, line 41, after “180.760” insert “and may award to the Attorney General reasonable
40 attorney fees and the costs of investigation, preparation and litigation if the Attorney General pre-
41 vails in the action”.

42 On page 28, line 29, delete the first “or” and insert a comma and after “(q)” insert “or (w)”.

43 On page 29, delete lines 33 and 34 and insert:

44 **“SECTION 35. Notwithstanding any other law limiting expenditures, the limitation on**
45 **expenditures established by section 2 (5), chapter __, Oregon Laws 2017 (Enrolled Senate**

1 **Bill 5536), for the biennium beginning July 1, 2017, as the maximum limit for payment of ex-**
2 **penses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding**
3 **lottery funds and federal funds, collected or received by the Secretary of State, is increased**
4 **by \$157,718 for the purpose of carrying out the provisions of sections 2, 3, 5 and 6 of this 2017**
5 **Act and the amendments to ORS 56.035, 60.001, 60.004, 60.047, 60.074, 60.111, 60.131, 60.647,**
6 **60.661, 60.737, 62.155, 63.001, 63.004, 63.047, 63.074, 63.111, 63.647, 63.661, 63.737, 65.001, 65.111,**
7 **70.020, 70.025, 128.575, 128.595 and 554.082 by sections 7 to 31 and 33 of this 2017 Act.**

8 **“SECTION 36. This 2017 Act being necessary for the immediate preservation of the public**
9 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
10 **July 1, 2017.”.**

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