

OREGON STATE BAR
Legislative Proposal

HB 2609 - ORS CHAPTER 65 UPDATE

Submitted by: Nonprofit Organizations Law Section

Legislative Contact(s): Susan Grabe
Phone: (503) 431-6380
E-mail: sgrabe@osbar.org

1. PROBLEM PRESENTED:

Chapter 65 of the Oregon Revised Statutes – the Nonprofit Corporation Code – was enacted in 1989 but has not been systematically reviewed since then. In the years since enactment, the lawyers who assist and advise nonprofit corporations as well as the lawyers who provide oversight for charities through the Attorney General’s office have found situations for which the statutory language is ambiguous or unhelpful. In addition, changes relating to the use of electronic resources for notice and meetings have left some sections of the Nonprofit Corporation Code in need of modernization.

2. SOLUTION:

The Nonprofit Organizations Law Section has put together a workgroup to propose a comprehensive update and cleanup of ORS Chapter 65, which is attached.

The Work Group based its work on two guiding principles. First, changes should clarify or improve the functioning of the statutory framework, but not make major policy changes to the legal structure for nonprofit corporations in Oregon. Second, a nonprofit corporation should, with limited exceptions, be able to draft its own governance rules through its Articles and Bylaws. Certain rules will be mandatory and will be clearly identified as such in the statutes. Most rules will be default rules and will apply if the Articles and Bylaws of a nonprofit corporation are silent on the issue.

Changes to the statute generally fall into the following areas: Notice, Members, Directors, Committees, Officers, Mergers, and Dissolution. See the attached summary memo for further detail.