

Topic: B-Corps, Benefit Corporations  
 Question by: Scott W. Anderson  
 Jurisdiction: Nevada  
 Date: November 27, 2012

Jurisdiction	Question(s)
	For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.
<b>Manitoba</b>	
<b>Corporations Canada</b>	
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	
<b>Arkansas</b>	
<b>California</b>	
<b>Colorado</b>	
<b>Connecticut</b>	
<b>Delaware</b>	
<b>District of Columbia</b>	<p>In the District of Columbia the benefit corporation legislation is moving through the legislature right now.</p> <p>It has a high chance of being passed probably by the end of the year or early next year.</p> <p>Our application is flexible enough for me as the administrator of the system to add this new entity type and create certificates, etc.</p> <p>The only change that we have requested from the drafters of the bill was to tie the new annual report that benefit corporations require to file with our existing biennial report required for filing for all entity types.</p> <p>Another important point is that we will not have benefit LLCs, partnerships, etc. – only benefit for-profit corporations.</p>
<b>Florida</b>	

Jurisdiction	Question(s)
	For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.
<b>Georgia</b>	
<b>Hawaii</b>	<p>In Hawaii, we worked to have the entities treated just like regular domestic profit corporations - which they are. We felt the expense and the confusion associated with a separate filing was a bad idea. So under our laws, you just put the words "sustainable business corporation" in the purposes section of your filing. The entities are then considered these special corps with all these internal corporate requirements, but technically for filing, they are by law regular profit domestic corporation incorporated under HRS Chapter 414.</p> <p>After the passage of the law two legislative sessions ago, we only have five sustainable business corporations registered so it has been good that we didn't spend all that money upgrading our systems to include a new or even check the box filing. We distinguish SBCs from other profit domestic corporations simply by the purpose. Internally we keep a running list with the corporate name, effective date of registration and file numbers.</p>
<b>Idaho</b>	
<b>Illinois</b>	
<b>Indiana</b>	
<b>Iowa</b>	
<b>Kansas</b>	
<b>Kentucky</b>	
<b>Louisiana</b>	<p>Louisiana is similar to Hawaii. We treat the entries just like a for profit corporation with two exceptions:</p> <ol style="list-style-type: none"> <li>1.) The corporate name of a benefit corporation shall end with the following phrase, which may be in parentheses, "A Benefit Corporation"</li> <li>2.) A benefit corporation shall have a purpose of creating a general public benefit in addition to the normal for profit purpose.</li> </ol>
<b>Maine</b>	
<b>Maryland</b>	

Jurisdiction	Question(s)
	<p>For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.</p>
<b>Massachusetts</b>	<p>The benefit corporation statute, Massachusetts General Law c. 156E, was recently enacted and is effective as of December 1, 2012.</p> <p>Massachusetts Benefit corporations are treated in a similar fashion as domestic profit and professional corporations, depending on their purpose. The forms provided will be almost identical to these corporations except the filer will be required to provide the additional benefit requirements.</p> <p>Massachusetts Benefit Corporations organize in one of two ways:</p> <p>Domestic Profit Benefit Corporations file utilizing c. 156D, the Massachusetts Business Corporations Act which is the current law for domestic profit corporations, with the additional requirements of:</p> <ul style="list-style-type: none"> <li>a. Must provide a general public benefit purpose and/or a specific public benefit purpose;</li> <li>b. A Benefit Director; and</li> <li>c. May provide for a benefit officer, but is not required.</li> </ul> <p>Professional Benefit Corporations file utilizing c. 156A, the Professional Corporations Law which is the current law for those corporations rendering professional services, and 156D with the additional benefit requirements as stated above.</p>
<b>Michigan</b>	
<b>Minnesota</b>	
<b>Mississippi</b>	
<b>Missouri</b>	
<b>Montana</b>	<p>Montana has not adopted benefit corporations.</p>
<b>Nebraska</b>	
<b>Nevada</b>	
<b>New Hampshire</b>	
<b>New Jersey</b>	
<b>New Mexico</b>	

Jurisdiction	Question(s)
	For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.
<b>New York</b>	In NY Benefit Corporations are formed in the same manner as a business corporation. The certificate of incorporation must include a statement that the corporation is a benefit corporation. It may also include any specific public benefit purposes. We don't have a separate form at this time. Currently we have about 18 benefit corporations which are coded as business corporations. Eventually these will be coded as benefit corporations and reflected in our database as such. This will enable us to identify these corporations as benefit corporations on certificates of existence and searches of our database. We don't have form for annual reports. Just a new filing code.
<b>North Carolina</b>	North Carolina had legislation introduced last year, but wasn't passed. However, we did brainstorm how it would be handled within the database. In order to have the reporting capability, it was decided to create a new profile and forms.
<b>North Dakota</b>	North Dakota does not verify the identity of a person filing a new entity.
<b>Ohio</b>	
<b>Oklahoma</b>	
<b>Oregon</b>	Oregon will introduce legislation in January to provide for benefit business corps. and LLCs. It's unclear at this point exactly how that legislation will look. The latest draft I've seen will not require us to do any special programming. The benefit company language would be an optional provision in their articles, and no change in entity identifier or the way we treat the companies (no special annuals, etc.). I'm not sure if there would even be a designation in the database, but we have talked about a checkbox that would show that self-declaration.
<b>Pennsylvania</b>	<p>Pennsylvania recently passed the benefit corporation law (Act 152 of 2012) which will go into effect January 22, 2013. We created a new profile (filing) type in our application. We have also had to create an annual report form as annual reports are not required by business corporations in PA. We were able to make changes to our corporation creation and amendment forms (foreign and domestic) to accommodate these types of entities.</p> <p>See Additional Comments Below</p>
<b>Rhode Island</b>	
<b>South Carolina</b>	
<b>South Dakota</b>	
<b>Tennessee</b>	
<b>Texas</b>	
<b>Utah</b>	

Jurisdiction	Question(s)
	For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.
<b>Vermont</b>	
<b>Virginia</b>	Virginia deferred the expense of adjusting our computer system to reflect the Virginia stock corporations that had elected status as a benefit corporation, not knowing how prevalent these filings would be. At this time, we merely maintain a list, which we give to our public inquiry agents as it is updated. Currently, there are only 18 corporations on the list. Our statute became effective on July 1, 2011. We do not maintain foreign benefit corporations on the list as there is no specific statutory requirement for them register with us.
<b>Washington</b>	Last year, Washington State adopted the Social Purpose Corporation by adding a chapter to the Corporations Title. They made very clear that a social purpose corporation is still a corporation under that title. In our system, we record it as a Corporation, but have a special "category" of SPC rather than REG, or any other designation. The only difference between the articles for a regular corporation and a social purpose corporation were some statements that had to be added to the SPC, so it really made very little difference to our system.  See additional comments below
<b>West Virginia</b>	
<b>Wisconsin</b>	
<b>Wyoming</b>	

**Additional comments:**

**NOVA SCOTIA:**

Hi Scott:

A timely question for me in Nova Scotia.

While not a "benefit" corporation per se, legislation was introduced today to permit a company formed under our Companies Act to seek to be designated as a community interest company ("CIC"). To do so, a company must include a statement in its memorandum of association to the effect that it is a CIC and thus is subject to restrictions on its ability to declare dividends or distribute assets upon dissolution. It must also have a stated community purpose, a minimum of 3 directors and have the words "Community Interest Company" or CIC (or their French equivalents in its name). Such a company will be subject to additional annual reporting requirements over and above ordinary companies in relation to the

community purpose and any distributions or asset transfers. The legislation introduced follows most closely in principal that which has been in place in the UK over the past 7 years.

In terms of their initial formation, a company may be incorporated with these characteristics, converted to this by altering their memorandum of association to comply with the requirements which was approved by a unanimous resolution, or two or more companies may amalgamated to form a company that has the appropriate characteristics (again this requires unanimous approval of shareholders to make such a change).

For our system this will mean new filing types, including new transaction types for the formation of these entities, and new filings associated with their initial reporting and annual reporting requirements.

Hayley

**PENNSYLVANIA:**

To all,

With the implementation of the law effective January 22, we have found that there are more than a few corporations who want to be the “first” corporation registered in PA to be registered as a benefit corporation. At last count, we had 23 and arrangements were being made for a group of them to be counted “first”. Please also note the Department of State Press Office will be using this as a media event with proper press coverage.

Michael L. Patterson

Director, Bureau of Corporations and Charitable Organizations

Department of State

Room 206

401 North Street

Harrisburg, PA 17120

717.783.9210 Office

717.783.2244 Fax

717.743.9053 Mobile

**WASHINGTON:**

Hi Scott,

Last session in Washington the legislature adopted the Social Purpose Corporation that is similar to a benefit corporation, but also has many differences.

When an SPC registers they file as a profit corporation with additional items to be included with their profit articles. Here is the law as it passed [RCW 23B.25](#)

This was only addressed in our corporate laws, not in our partnerships/LLCs.

Patrick

Patrick Reed

Operations Manager

Division of Corporations and Charities

Office of the Secretary of State

360.725.0358

patrick.reed@sos.wa.gov

**Full text of email:**

Good Evening Everyone,

For those of you that have adopted or are adopting benefit corporations, can you please give me a description of how your jurisdiction implemented or will implement into your filing systems? i.e, add a check box to your current processes; created a new filing type with additional information, etc.

B-Corps will be proposed in our upcoming session and we are trying to prepare for any variations.

As always, I appreciate your input.

Scott  
Scott W. Anderson  
Deputy Secretary of State for Commercial Recordings  
Office of Secretary of State Ross Miller  
202 North Carson Street  
Carson City, Nevada 89701  
775-684-5708  
775-684-7191 (fax)  
scotta@sos.nv.gov