

Topic: Benefit/Social Purpose Corporations  
 Question by: Lorna Wassdorf  
 Jurisdiction: Texas  
 Date: April 30, 2013

Jurisdiction	Question(s)
	<p>We have a legislative request about the number of benefit/social purpose corporations that have been created in other jurisdiction. If your jurisdiction has enacted legislation permitting the formation of benefit corporations or comparable entities (social purpose corporations), please provide the following information:</p> <ol style="list-style-type: none"> <li>1. Date of enactment</li> <li>2. Type of entity (benefit, social purpose or other)</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period.</li> </ol>
<b>Manitoba</b>	
<b>Corporations Canada</b>	
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	<p>The Arizona Legislature has just this session enacted a Benefit Corp bill. It has a delayed effective date, so I believe it won't be effective until later in 2014.</p> <p>This bill was hotly debated among constituents. An independent group of business attorneys banded together to oppose it, but the lobbyist group was persistent and the bill is now going to become law.</p>
<b>Arkansas</b>	
<b>California</b>	
<b>Colorado</b>	

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<b>Connecticut</b>	<p>Connecticut has a couple bills pending this session. The one that is likely to pass (if not this session, then next, but probably this session) is a Benefits Corporation bill that is based on the B-Corp model bill but with some amendments recommended by the Business Law Section of the CT Bar Association. The major changes from the model have to do with the third party standard (preferring reporting over mandatory third party certification and watering down the certification requirement so that B-Lab is not the only third party certification program, in effect) and adjusting the election provisions as to the temporal requirements and qualifying percentage of votes necessary to convert from a standard Corp to a Benefit Corp (and back).</p> <p>I can't answer the other questions because we have not yet adopted a version.</p>
<b>Delaware</b>	<p>Date of enactment Senate Bill 47 was introduced April 18, 2013 in the Delaware General Assembly - If enacted, corporations would become eligible to form,            Convert or merge into a public benefit corporation beginning August 1, 2013.</p> <ol style="list-style-type: none"> <li>1.</li> <li>2. Type of entity (benefit, social purpose or other) PUBLIC BENEFIT CORPORATION</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period.</li> </ol>
<b>District of Columbia</b>	<p>In the District of Columbia our legislature just approved Benefit Corporation Act.</p> <ol style="list-style-type: none"> <li>1. Date of enactment. - February 8th 2013; awaiting assignment of DC law#.</li> <li>2. Type of entity (benefit, social purpose or other) - Benefit for-profit corporation.</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period. - We expect to have at least 50 entities initially registered.</li> </ol>
<b>Florida</b>	
<b>Georgia</b>	
<b>Hawaii</b>	<p>In Hawaii, we have sustainable business corporations, under HRS Chapter 420D, effective as of July 8, 2011.            As of this date, there are five corporations created under this chapter.</p>
<b>Idaho</b>	
<b>Illinois</b>	<p>Benefit Corporation became effective in Illinois January 15, 2013, we currently have 22 active.</p>
<b>Indiana</b>	
<b>Iowa</b>	

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<b>Kansas</b>	
<b>Kentucky</b>	
<b>Louisiana</b>	<ol style="list-style-type: none"> <li>1. Date of enactment – August 1, 2012</li> <li>2. Type of entity (benefit, social purpose or other) benefit</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period. 8</li> </ol>
<b>Maine</b>	
<b>Maryland</b>	
<b>Massachusetts</b>	<p>Massachusetts answers are below:</p> <ol style="list-style-type: none"> <li>1. Date of enactment: December 1, 2012</li> <li>2. Type of entity (benefit, social purpose or other) Benefit Corporations and Professional Benefit Corporations.</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period. - 16 Benefit Corporations currently on record.</li> </ol>
<b>Michigan</b>	
<b>Minnesota</b>	
<b>Mississippi</b>	
<b>Missouri</b>	
<b>Montana</b>	The Montana legislature debated Benefit Corporations, (HB 534), but it did not pass.
<b>Nebraska</b>	

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<b>Nevada</b>	<p>The Nevada Legislature is currently considering benefit or b-corporation legislation. There is no indication that this will not pass. Expected implementation date is October 1, 2013. upon implementation, a b-corp may be formed for a general public benefit (having a material positive impact on society and the environment, taken as a whole, and may indicate a specific public benefit including providing low income or underserved individuals or communities with beneficial products or services, promoting economic opportunity for individuals or communities beyond the creation of jobs, protecting or preserving the environment, improving human health, promoting the arts, sciences or advancing knowledge, increasing the flow of capital to entities with a general public benefit purpose, and the accomplishment of any other particular benefit for society or the environment.</p> <p>The proposed legislation may be found at <a href="http://www.leg.state.nv.us/Session/77th2013/Bills/AB/AB89.pdf">http://www.leg.state.nv.us/Session/77th2013/Bills/AB/AB89.pdf</a></p> <p>There has been no opposition to this in Nevada. There was argument that this was unnecessary as Nevada law would allow for the creation of such a corporation through provisions in the articles of incorporation and bylaws. This makes it specific.</p>
<b>New Hampshire</b>	New Hampshire has not had this legislation proposed.
<b>New Jersey</b>	
<b>New Mexico</b>	
<b>New York</b>	
<b>North Carolina</b>	
<b>North Dakota</b>	
<b>Ohio</b>	
<b>Oklahoma</b>	

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<b>Oregon</b>	
<b>Pennsylvania</b>	<ol style="list-style-type: none"> <li>1. Date of enactment ~ effective January 22, 2013</li> <li>2. Type of entity (benefit, social purpose or other) ~ benefit</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period. ~ We have a total of 19 entities that were either recently created (7) as a benefit corporation or amended their original documents (12) to change to a benefit corporation.</li> </ol>
<b>Rhode Island</b>	<p>Rhode Island currently has legislation pending before the Assembly for Benefit Corporations. Not sure it will pass this session.</p>
<b>South Carolina</b>	
<b>South Dakota</b>	
<b>Tennessee</b>	<p>Tennessee has not enacting legislation permitting the formation of benefit corporations. <a href="http://benefitcorp.net/">http://benefitcorp.net/</a> appears to be a useful site regarding this issue that also has state-by-state analysis and seems to be up to date.</p>
<b>Texas</b>	
<b>Utah</b>	<p>Utah has not enacted this legislation</p>
<b>Vermont</b>	
<b>Virginia</b>	<p>Virginia's benefit corporations provisions became effective on July 1, 2011. So far, we have 25 Virginia corporations whose articles indicate that they are a benefit corporation, which is the standard for election of this status.</p>
<b>Washington</b>	<ol style="list-style-type: none"> <li>1. Date of enactment - June 7, 2012</li> <li>2. Type of entity (benefit, social purpose or other) - Social Purpose Corporations</li> <li>3. Number of entities created under the enabling legislation since inception or other specified period. - 38</li> </ol> <p><a href="http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2239&amp;year=2012">http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2239&amp;year=2012</a></p> <p><a href="http://apps.leg.wa.gov/rcw/default.aspx?cite=23B.25">http://apps.leg.wa.gov/rcw/default.aspx?cite=23B.25</a></p>
<b>West Virginia</b>	
<b>Wisconsin</b>	

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<b>Wyoming</b>	Wyoming has not enacted any legislation regarding benefit corporations.

**Additional comments:**

**Full text of email:**

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2. Type of entity (benefit, social purpose or other)
3. Number of entities created under the enabling legislation since inception or other specified period.

No need to respond if your jurisdiction has not enacted benefit/social purpose legislation. Since this request is in response to a legislative request, I would like to be able to respond quickly. ☺ Thank you for your time and attention. I hope to see many of you in Boston.

Sincerely,

Lorna Wassdorf  
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 Office of the Secretary of State  
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