

Topic: Establishment of Benefit Corporations

Question by: Cathy Beaudoin

Jurisdiction: Maine

Date: April 6, 2015

Jurisdiction	Question(s)		
	If you have Benefit Corporations in your State, are they required to file an annual benefit report with you? If so, is this in addition to the corporate annual report that is already required under the Business Act?	What happens if they do not file the annual benefit report with your office? Does your statute allow for you to take action? (I don't see that we have any authority to take action under this draft)	Do they simply elect to be a Benefit Corporation on the Articles of Incorporation, or do you require them to file they additionally election materials?
Manitoba			
Corporations Canada			
Alabama			
Alaska			
Arizona	YES – FEE IS \$10. YES	NOTHING. NO PROVISION WAS ADDED FOR ADMIN DISSOLUTION FOR NOT FILING ANNUAL BENEFIT REPORT.	THEY MUST STATE THEY ARE A BENEFIT CORPORATION AND IT COULD BE ARGUED THAT THE ARTICLES MUST STATE THE CORPORATION HAS A PURPOSE OF CREATING A GENERAL PUBLIC BENEFIT.
Arkansas			
California			

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Colorado	<p>Colorado has had Public Benefit Corporations since April 1, 2014. Our statute also includes cooperatives in addition to corporations.</p> <p>A public benefit corporation shall prepare an annual report but they do not file that document with us. They are to send it to each shareholder and post it on their website, if they have one. These entities do file the periodic report with us just like any other reporting entity.</p>	<p>Not applicable</p>	<p>The option to form a Public Benefit Corporation is a choice the filer makes at the beginning of the filing process. Our website has this filing option clearly displayed on our website. http://www.sos.state.co.us/biz/FileDoc.do Existing corporations may file an amendment to become a PBC or vice versa. The statute also addresses conversions and mergers. http://www.leg.state.co.us/clics/clics2013a/csl.nsf/fsbillcont3/A29836D875EF946987257AEE00574AC0?Open&file=1138_enr.pdf</p>
Connecticut			
Delaware			
District of Columbia	<p>Yes; we mandate for annual report to be filed along with our mandatory biennial report that all entities have to file.</p> <p>Web: http://dcra.dc.gov/page/business-licensing-corporate-registration</p> <p>CorpOnline Service: https://corp.dcra.dc.gov</p>	<p>We do not have any authority to take action for the failure to include benefit report but can revoke registration if regular biennial report is not filed</p>	<p>Benefit corporation can be established in the articles of incorporation by adding "benefit" language or by amending/restating articles of incorporation for existing entities.</p>
Florida			
Georgia			

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Hawaii	No. The annual benefit report is sent to each shareholder. Only the corporate annual report is filed with our office.	n/a	They elect and include a statement in their Articles of Incorporation.
Idaho			
Illinois			
Indiana			
Iowa			
Kansas			
Kentucky			
Louisiana	No	n/a	They elect to be a benefit corporation on the articles of incorporation
Maine			
Maryland			
Massachusetts	Benefit corporations are required to file their benefit report in MA. The benefit report is submitted with the corporate annual report based. There is a filing fee assessed for each report.	As these reports are filed with the corporate annual report the penalty is if they fail to file the corporate annual report. The corporate statute permits the administrative dissolution of benefit corporations for failure to file 2 or more consecutive annual reports.	Benefit corporations may be formed by filing the articles of organization which must contain the following information: 1. A clear indication that it is a benefit corporation in the purpose article; and 2. The name of the benefit director. Additionally, the corporation may elect to designate someone a benefit officer. This is not required.
Michigan	Michigan has not enacted benefit corporation legislation.		

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<p>Minnesota</p>	<p>A separate annual benefit report is required and this is in addition to the usual annual renewal for a corporation.</p>	<p>If the annual benefit report is not filed by April 1 each year, they will lose their status as a public benefit corporation and there may be other ramifications of that status loss, as well.</p>	<p>Yes, a newly formed corporation may simply add the PBC requirements in the articles; they may also be amended on later y a supermajority. No additional 'election' materials outside the articles or an amendment are required. See: https://www.revisor.mn.gov/statutes/?id=304A</p>
<p>Mississippi</p>			
<p>Missouri</p>			
<p>Montana</p>	<p>Benefit Corps are not a recognized business type in Montana at this time.</p>		
<p>Nebraska</p>			
<p>Nevada</p>			
<p>New Hampshire</p>			
<p>New Jersey</p>			
<p>New Mexico</p>			
<p>New York</p>			

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<p>North Carolina</p>	<p>This is the third year that the B corp legislation has been introduced. They keep trying.</p> <p>No, the annual benefit report is to be posted to their website for I think it was three years. They would still need to file an annual report with us.</p>	<p>We would not have any authority if they didn't post the report to their website.</p>	<p>They elect to be a benefit corporation on their Articles, there are also provision for converting to a B corp.</p>
<p>North Dakota</p>	<p>Two weeks ago, the North Dakota Legislature defeated the bill that would have enabled public benefit corporations for us.-</p>		
<p>Ohio</p>			
<p>Oklahoma</p>			
<p>Oregon</p>			

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Pennsylvania	<p>Benefit corporations are required to file their annual benefit report in PA concurrently with the delivery of the report to shareholders. There is a statutory format and a statutory fee of \$70 to file the report with the Department of State. Pennsylvania is one of the few states which do not have an annual report for corporations, so the benefit report is not in addition to an annual report.</p>	<p>The Department has no statutory authority to do anything if an annual benefit report is not filed.</p>	<p>They can designate their status as a benefit corporation on the original articles of incorporation when filing or amend existing articles to become a benefit corporation. Pennsylvania benefit corporations must have a purpose of creating general public benefit. The articles of a benefit corporation may also identify one or more specific public benefits that it is the purpose of the benefit corporation to create, in addition to its regular business purpose(s) and purpose of creating general public benefit.</p>
Rhode Island			
South Carolina			
South Dakota			
Tennessee			
Texas			
Utah	<p>Although the b corp decides when it needs to complete its benefit report , we require that it be filed in addition to their business corporation report - when they file their regular business renewal annual report, they attach the b corp report with any financial or personally identifying information redacted.</p>	<p>We take what they give us but have no authority to reject the annual report if they fail to also provide the b corp report.</p>	<p>They can designate their status on the articles of incorporation when filing or amend in to status as a b corp. they can also amend out of being a b corp.</p>
Vermont			

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<p>Virginia</p>	<p>Our benefit corporation provisions were drafted to take this office out of the position of determining whether such stock or for-profit corporations are doing what they needed to do to meet their obligations (i.e., be qualified) as a benefit corporation.</p>	<p>Specifically, a Virginia benefit corporation's annual benefit report, which is not filed in this office, includes an assessment prepared in accordance with a third-party standard (e.g., B Lab). See Section 13.1-791 of the Code of Virginia.</p>	<p>A Virginia corporation can elect to be a benefit corporation by including a provision in its articles of incorporation that says it is a benefit corporation. We also deem this to be a statement of purpose, which prevents a corporation from electing this status if its articles are required by law to set forth a sole and specific purpose, as is the case with professional corporations.</p>
<p>Washington</p>	<p>Washington State has a different law than benefit corporations, but it has a some similarities.</p> <p>Social Purpose Corporations were established in 2012 as http://apps.leg.wa.gov/rcw/default.aspx?cite=23B.25 .They are filed as a profit corporation with the ability to elect to become a social purpose corporation. Other answers are below.</p> <p>Social Purpose Corporations maintain as a corporation with the requirement of filing initial and annual reports.</p>	<p>SPC's do not file benefit information, only annual reports</p>	<p>They elect on a form provided, or via attorney drawn articles</p>
<p>West Virginia</p>			
<p>Wisconsin</p>			
<p>Wyoming</p>			

Additional comments:

Full text of email:

Good Afternoon IACA friends!

The bill for the establishment of Benefit Corporations has appeared here in Maine. I knew it would hit Maine sooner or later ☐ A copy is attached. I know that many States already have Benefit Corporation designations. I have a few questions for you and would love any additionally information you are willing to share with Maine!

1. If you have Benefit Corporations in your State, are they required to file an annual benefit report with you? If so, is this in addition to the corporate annual report that is already required under the Business Act?
2. What happens if they do not file the annual benefit report with your office? Does your statute allow for you to take action? (I don't see that we have any authority to take action under this draft)
3. Do they simply elect to be a Benefit Corporation on the Articles of Incorporation, or do you require them to file they additionally election materials?

I thank you all in advance for your assistance!

Cathy Beaudoin
Director of Corporations, UCC & Commissions
Department of the Secretary of State
Bureau of Corporations, Elections & Commissions
101 State House Station, Augusta, ME 04333-0101
Tel. 207.624.7748
Fax 207.287.5874
cathy.beaudoin@maine.gov