

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 690
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “B (For-Benefit)” and substitute “Benefit”; in line 3, strike “B (for-benefit)” and substitute “benefit”; in lines 5, 7, 9, 10, 12, 14, and 18, in each instance, strike “B” and substitute “benefit”; in line 10, after “a” insert “certain general”; in the same line, after “benefit,” insert “authorizing the charter of a benefit corporation to identify as one of the purposes of the benefit corporation the creation of certain specific public benefits;”; in line 11, after “a” insert “certain”; in line 19, after “report;” insert “requiring a benefit corporation to post a certain report on its website or provide a copy of the report under certain circumstances;”; in the same line, strike “for-benefit” and substitute “benefit”; and strike beginning with “B” in line 23 down through “(For-Benefit)” in line 24 and substitute “Benefit”.

AMENDMENT NO. 2

On page 2, in line 2, strike “**B (FOR-BENEFIT)**” and substitute “**BENEFIT**”; in line 6, strike “**B**” and substitute “**BENEFIT**”; in lines 7 and 8, in each instance, strike “**FOR-BENEFIT**” and substitute “**BENEFIT**”; and in line 24, strike “**B**” and substitute “**BENEFIT**”.

On page 3, in lines 1, 4, 7, 8, 11, 27, 30, and 31, in each instance, strike “**B**” and substitute “**BENEFIT**”; and strike beginning with “**B**” in line 13 down through “**CORPORATION**” in line 14 and substitute “**BENEFIT CORPORATION**”.

On page 4, in lines 10, 13, 15, 17, 19, 22, 24, and 29, in each instance, strike “**B**” and substitute “**BENEFIT**”.

(Over)

On page 5, in lines 1, 2, 3, 6, 10, 17, 19, 21, 26, and 29, in each instance, strike “**B**” and substitute “BENEFIT”.

On page 6, in lines 2, 4, and 9, in each instance, strike “**B**” and substitute “BENEFIT”.

AMENDMENT NO. 3

On page 2, after line 9, insert:

“(C) “GENERAL PUBLIC BENEFIT” MEANS A MATERIAL, POSITIVE IMPACT ON SOCIETY AND THE ENVIRONMENT, AS MEASURED BY A THIRD-PARTY STANDARD, THROUGH ACTIVITIES THAT PROMOTE A COMBINATION OF SPECIFIC PUBLIC BENEFITS.”;

strike line 10 in its entirety and substitute:

“(D) “SPECIFIC PUBLIC BENEFIT” INCLUDES:”;

in line 19, strike “**OR**”; and in line 21, after “**PURPOSE**” insert “;**OR**”

(7) THE ACCOMPLISHMENT OF ANY OTHER PARTICULAR BENEFIT FOR SOCIETY OR THE ENVIRONMENT.

(E) “THIRD-PARTY STANDARD” MEANS A STANDARD FOR DEFINING, REPORTING, AND ASSESSING BEST PRACTICES IN CORPORATE SOCIAL AND ENVIRONMENTAL PERFORMANCE THAT:

(1) IS DEVELOPED BY A PERSON OR ENTITY THAT IS INDEPENDENT OF THE BENEFIT CORPORATION; AND

(2) IS TRANSPARENT BECAUSE THE FOLLOWING INFORMATION ABOUT THE STANDARD IS PUBLICLY AVAILABLE OR ACCESSIBLE:

(i) THE FACTORS CONSIDERED WHEN MEASURING THE PERFORMANCE OF A BUSINESS;

(ii) THE RELATIVE WEIGHTINGS OF THOSE FACTORS; AND

(iii) THE IDENTITY OF THE PERSONS WHO DEVELOPED AND CONTROL CHANGES TO THE STANDARD AND THE PROCESS BY WHICH THOSE CHANGES WERE MADE".

AMENDMENT NO. 4

On page 3, in line 15, strike "ELECTION" and substitute "AMENDMENT"; strike beginning with "BY" in line 16 down through "GROUP" in line 25 and substitute "IN ACCORDANCE WITH TITLE 2, SUBTITLE 6 OF THIS ARTICLE"; strike beginning with "ARTICLES" in line 28 down through "INCORPORATION" in line 29 and substitute "CHARTER"; in line 31, strike "THE TERMINATION OF" and substitute "AN AMENDMENT TERMINATING A CORPORATION'S"; and in line 32, strike "BY THE HIGHER OF:" and substitute "IN ACCORDANCE WITH TITLE 2, SUBTITLE 6 OF THIS ARTICLE.".

On page 4, strike in their entirety lines 1 through 8, inclusive.

AMENDMENT NO. 5

On page 4, in line 19, after "(A)" insert "(1)"; in the same line, after "CREATING A" insert "GENERAL"; after line 20, insert:

“(2) THE PURPOSE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS IN ADDITION TO, AND MAY BE A LIMITATION ON, THE PURPOSES OF THE CORPORATION UNDER § 2-101 OF THIS ARTICLE.

(B) (1) IN ADDITION TO ITS PURPOSES UNDER § 2-101 OF THIS ARTICLE AND SUBSECTION (A) OF THIS SECTION, THE CHARTER OF A BENEFIT CORPORATION MAY IDENTIFY AS ONE OF THE PURPOSES OF THE BENEFIT CORPORATION THE CREATION OF ONE OR MORE SPECIFIC PUBLIC BENEFITS.

(2) THE IDENTIFICATION IN ITS CHARTER OF A SPECIFIC PUBLIC BENEFIT PURPOSE UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT LIMIT THE OBLIGATION OF A BENEFIT CORPORATION TO CREATE A GENERAL PUBLIC BENEFIT.”;

in line 21, strike “(B)” and substitute “(C)”; in the same line, after “A” insert “GENERAL”; in the same line, after “BENEFIT” insert “OR SPECIFIC PUBLIC BENEFIT”; and strike beginning with “SUBSECTION” in line 21 down through “(A)” in line 22 and substitute “SUBSECTIONS (A) AND (B)”.

AMENDMENT NO. 6

On page 5, strike beginning with “IN” in line 15 down through “CORPORATION” in line 16; in line 20, strike “DESCRIBED IN THE CHARTER OF THE B CORPORATION”; in line 27, strike “FOR-BENEFIT” and substitute “BENEFIT”; in line 29, strike “GENERALLY”; in line 30, strike the first “THE” and substitute “A GENERAL”; in the same line, strike “DESCRIBED IN THE CHARTER”; in line 31, after the second “THE” insert “GENERAL”; in the same line, strike the second “AND”; and after line 31, insert:

“(II) THE WAYS IN WHICH THE BENEFIT CORPORATION PURSUED ANY SPECIFIC PUBLIC BENEFIT THAT ITS CHARTER STATES IS THE

PURPOSE OF THE BENEFIT CORPORATION TO CREATE AND THE EXTENT TO WHICH THAT SPECIFIC PUBLIC BENEFIT WAS CREATED; AND".

On page 6, in line 1, strike "**(II)**" and substitute "**(III)**"; strike beginning with "IDENTIFIED" in line 5 down through "CORPORATION" in line 6 and substitute "A THIRD-PARTY STANDARD APPLIED CONSISTENTLY WITH THE PRIOR YEAR'S BENEFIT REPORT OR ACCOMPANIED BY AN EXPLANATION OF THE REASONS FOR ANY INCONSISTENT APPLICATION"; in line 7, strike "FOR-BENEFIT" and substitute "BENEFIT"; and after line 9, insert:

"(C) (1) A BENEFIT CORPORATION SHALL POST ITS MOST RECENT BENEFIT REPORT ON THE PUBLIC PORTION OF ITS WEBSITE, IF ANY.

(2) IF A BENEFIT CORPORATION DOES NOT HAVE A PUBLIC WEBSITE, THE BENEFIT CORPORATION SHALL PROVIDE A COPY OF ITS MOST RECENT BENEFIT REPORT ON DEMAND AND WITHOUT CHARGE TO ANY PERSON WHO REQUESTS A COPY."