

# SENATE BILL 595

C1

(11r0598)

## ENROLLED BILL

— Judicial Proceedings/Economic Matters —

Introduced by ~~Senator Raskin~~ Senators Raskin, Kelley, Forehand, and Jacobs

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Corporations and Associations – *Name Requirements for Benefit Corporations***  
3 ***and Limited Liability Companies – Election to Be a Benefit Corporation***  
4 **Limited Liability Company**

5 FOR the purpose of authorizing a Maryland limited liability company to elect to be a  
6 benefit ~~corporation; specifying the process by which a limited liability company~~  
7 ~~may elect to be a benefit corporation~~ limited liability company by including a  
8 certain statement in its articles of organization; specifying the process by which  
9 a limited liability company may terminate its status as a benefit ~~corporation~~  
10 limited liability company; requiring a clear reference to the fact that a limited  
11 liability company is a benefit ~~corporation~~ limited liability company to appear  
12 prominently at the head of certain articles of organization ~~of the limited liability~~  
13 ~~company~~ or an amendment to the articles of organization; *establishing certain*  
14 *requirements for the name of certain benefit limited liability companies*;  
15 requiring ~~the limited liability company~~ a benefit limited liability company to

---

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 have a certain purpose; authorizing ~~the limited liability company~~ a benefit  
 2 limited liability company to have a certain purpose; requiring a ~~member of the~~  
 3 ~~limited liability company~~ person managing the business and affairs of a benefit  
 4 limited liability company to consider the effects of certain actions or decisions  
 5 not to act on certain persons and interests; providing that a person managing  
 6 the business and affairs of a benefit limited liability company does not have any  
 7 duty to certain persons on account of certain factors or interests; requiring the  
 8 ~~limited liability company~~ a benefit limited liability company to deliver a certain  
 9 annual benefit report to each member ~~of the limited liability company~~  
 10 within a certain time period and to post the report on a certain portion of its Web site  
 11 under certain circumstances; prohibiting a provision of the articles of  
 12 organization or operating agreement of ~~the limited liability company~~ a benefit  
 13 limited liability company from being inconsistent with certain provisions of law;  
 14 establishing certain requirements for the name of certain benefit corporations;  
 15 ~~altering a certain definition; making certain conforming changes; defining~~  
 16 certain terms; and generally relating to limited liability companies ~~and~~ benefit  
 17 ~~corporations~~ limited liability companies, and benefit corporations.

18 ~~BY repealing and reenacting, with amendments,~~

19 ~~Article – Corporations and Associations~~

20 ~~Section 5-6C-01, 5-6C-02, and 5-6C-04 through 5-6C-08~~

21 ~~Annotated Code of Maryland~~

22 ~~(2007 Replacement Volume and 2010 Supplement)~~

23 ~~BY repealing and reenacting, with amendments,~~

24 ~~Article – Corporations and Associations~~

25 ~~Section 5-6C-03~~

26 ~~Annotated Code of Maryland~~

27 ~~(2007 Replacement Volume and 2010 Supplement)~~

28 ~~(As enacted by Chapters 97 and 98 of the Acts of the General Assembly of 2010)~~

29 BY renumbering

30 Article – Corporations and Associations

31 Section 4A-1101 through 4A-1103, respectively, and the subtitle “Subtitle 11.

32 Miscellaneous”

33 to be Section 4A-1201 through 4A-1203, respectively, and the subtitle “Subtitle

34 12. Miscellaneous”

35 Annotated Code of Maryland

36 (2007 Replacement Volume and 2010 Supplement)

37 BY repealing and reenacting, with amendments,

38 Article – Corporations and Associations

39 Section 1-502(a) and (b) and 5-6C-03

40 Annotated Code of Maryland

41 (2007 Replacement Volume and 2010 Supplement)

42 BY adding to

1 Article – Corporations and Associations  
 2 Section 4A–1101 through 4A–1108, to be under the new subtitle “Subtitle 11.  
 3 Benefit Limited Liability Companies”  
 4 Annotated Code of Maryland  
 5 (2007 Replacement Volume and 2010 Supplement)

6 ~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF~~  
 7 ~~MARYLAND, That the Laws of Maryland read as follows:~~

8 ~~**Article – Corporations and Associations**~~

9 ~~5–6C–01.~~

10 ~~(a) In this subtitle the following words have the meanings indicated.~~

11 ~~(b) “Benefit corporation” means a Maryland corporation OR MARYLAND~~  
 12 ~~LIMITED LIABILITY COMPANY that elects to be a benefit corporation in accordance~~  
 13 ~~with § 5–6C–03 of this subtitle and has not ceased to be a benefit corporation through~~  
 14 ~~the operation of § 5–6C–04 of this subtitle.~~

15 ~~(c) “General public benefit” means a material, positive impact on society and~~  
 16 ~~the environment, as measured by a third party standard, through activities that~~  
 17 ~~promote a combination of specific public benefits.~~

18 ~~(d) “Specific public benefit” includes:~~

19 ~~(1) Providing individuals or communities with beneficial products or~~  
 20 ~~services;~~

21 ~~(2) Promoting economic opportunity for individuals or communities~~  
 22 ~~beyond the creation of jobs in the normal course of business;~~

23 ~~(3) Preserving the environment;~~

24 ~~(4) Improving human health;~~

25 ~~(5) Promoting the arts, sciences, or advancement of knowledge;~~

26 ~~(6) Increasing the flow of capital to entities with a public benefit~~  
 27 ~~purpose; or~~

28 ~~(7) The accomplishment of any other particular benefit for society or~~  
 29 ~~the environment.~~

30 ~~(e) “Third party standard” means a standard for defining, reporting, and~~  
 31 ~~assessing best practices in corporate social and environmental performance that:~~

1           ~~(1) Is developed by a person or entity that is independent of the~~  
2 ~~benefit corporation; and~~

3           ~~(2) Is transparent because the following information about the~~  
4 ~~standard is publicly available or accessible:~~

5                   ~~(i) The factors considered when measuring the performance of a~~  
6 ~~business;~~

7                   ~~(ii) The relative weightings of those factors; and~~

8                   ~~(iii) The identity of the persons who developed and control~~  
9 ~~changes to the standard and the process by which those changes were made.~~

10 ~~5-6C-02.~~

11           ~~(a) The provisions of the Maryland General Corporation Law apply to benefit~~  
12 ~~corporations except to the extent that:~~

13                   ~~(1) The context of a provision clearly requires otherwise; or~~

14                   ~~(2) A specific provision of this subtitle or another provision of law~~  
15 ~~governing specific classes of corporations OR LIMITED LIABILITY COMPANIES~~  
16 ~~provides otherwise.~~

17           ~~(b) This subtitle applies only to benefit corporations.~~

18           ~~(c) (1) The existence of a provision of this subtitle does not of itself create~~  
19 ~~any implication that a contrary or different rule of law is or would be applicable to a~~  
20 ~~corporation OR LIMITED LIABILITY COMPANY that is not a benefit corporation.~~

21                   ~~(2) This subtitle does not affect any statute or rule of law as it applies~~  
22 ~~to a corporation OR LIMITED LIABILITY COMPANY that is not a benefit corporation.~~

23           ~~(d) A provision of the charter [or], bylaws, ARTICLES OF ORGANIZATION,~~  
24 ~~OR OPERATING AGREEMENT of a benefit corporation may not be inconsistent with~~  
25 ~~any provision of this subtitle.~~

26 ~~5-6C-03.~~

27           ~~(a) (1) A corporation may elect to be a benefit corporation under this~~  
28 ~~subtitle by amending or including in the charter of the corporation a statement that~~  
29 ~~the corporation is a benefit corporation.~~

30                   ~~(2) A LIMITED LIABILITY COMPANY MAY ELECT TO BE A BENEFIT~~  
31 ~~CORPORATION UNDER THIS SUBTITLE BY AMENDING OR INCLUDING IN THE~~

1 ~~ARTICLES OF ORGANIZATION OF THE LIMITED LIABILITY COMPANY A~~  
2 ~~STATEMENT THAT THE LIMITED LIABILITY COMPANY IS A BENEFIT~~  
3 ~~CORPORATION.~~

4 (b) ~~(1) An amendment described in subsection [(a)] (A)(1) of this section~~  
5 ~~shall be approved in accordance with Title 2, Subtitle 6 of this article.~~

6 ~~(2) AN AMENDMENT DESCRIBED IN SUBSECTION (A)(2) OF THIS~~  
7 ~~SECTION SHALL BE APPROVED IN ACCORDANCE WITH § 4A-204(C)(2) OF THIS~~  
8 ~~ARTICLE.~~

9 ~~5-6C-04.~~

10 (a) ~~A corporation OR LIMITED LIABILITY COMPANY may terminate ITS~~  
11 ~~status as a benefit corporation and cease to be subject to this subtitle by amending the~~  
12 ~~charter of the corporation OR THE ARTICLES OF ORGANIZATION OF THE LIMITED~~  
13 ~~LIABILITY COMPANY to delete the statement that the corporation OR LIMITED~~  
14 ~~LIABILITY COMPANY is a benefit corporation.~~

15 (b) ~~An amendment terminating [a corporation's] THE status OF A~~  
16 ~~CORPORATION OR LIMITED LIABILITY COMPANY as a benefit corporation shall be~~  
17 ~~approved by the stockholders of the corporation in accordance with Title 2, Subtitle 6~~  
18 ~~of this article OR THE MEMBERS OF THE LIMITED LIABILITY COMPANY IN~~  
19 ~~ACCORDANCE WITH § 4A-204(C)(2) OF THIS ARTICLE.~~

20 ~~5-6C-05.~~

21 ~~Clear reference to the fact that a corporation OR LIMITED LIABILITY~~  
22 ~~COMPANY is a benefit corporation shall appear prominently:~~

23 (1) ~~At the head of the charter document OR ARTICLES OF~~  
24 ~~ORGANIZATION in which the election to be a benefit corporation is made;~~

25 (2) ~~At the head of each subsequent charter document OR ARTICLES~~  
26 ~~OF ORGANIZATION of the benefit corporation; and~~

27 (3) ~~On each certificate representing outstanding stock of the benefit~~  
28 ~~corporation.~~

29 ~~5-6C-06.~~

30 (a) (1) ~~Each benefit corporation shall have the purpose of creating a~~  
31 ~~general public benefit.~~

1           ~~(2) The purpose described in paragraph (1) of this subsection is in~~  
2 ~~addition to, and may be a limitation on, the purposes of the corporation under § 2-101~~  
3 ~~of this article OR OF THE LIMITED LIABILITY COMPANY UNDER § 4A-201 OF THIS~~  
4 ~~ARTICLE.~~

5           ~~(b) (1) In addition to its purposes under § 2-101 OR § 4A-201 of this~~  
6 ~~article and subsection (a) of this section, the charter OR ARTICLES OF~~  
7 ~~ORGANIZATION of a benefit corporation may identify as one of the purposes of the~~  
8 ~~benefit corporation the creation of one or more specific public benefits.~~

9           ~~(2) The identification in its charter OR ARTICLES OF ORGANIZATION~~  
10 ~~of a specific public benefit purpose under paragraph (1) of this subsection does not~~  
11 ~~limit the obligation of a benefit corporation to create a general public benefit.~~

12           ~~(e) The creation of a general public benefit or specific public benefit as~~  
13 ~~provided in subsections (a) and (b) of this section is in the best interests of the benefit~~  
14 ~~corporation.~~

15 ~~5-6C-07.~~

16           ~~(a) A director OR MEMBER of a benefit corporation, in performing the duties~~  
17 ~~of a director OR MEMBER, including the director's duties as a member of a committee~~  
18 ~~and in addition to the duties described in § 2-405.1 of this article:~~

19           ~~(1) In determining what the director OR MEMBER reasonably believes~~  
20 ~~to be in the best interests of the benefit corporation, shall consider the effects of any~~  
21 ~~action or decision not to act on:~~

22                   ~~(i) The stockholders OR MEMBERS of the benefit corporation;~~

23                   ~~(ii) The employees and workforce of the benefit corporation and~~  
24 ~~the subsidiaries and suppliers of the benefit corporation;~~

25                   ~~(iii) The interests of customers as beneficiaries of the general or~~  
26 ~~specific public benefit purposes of the benefit corporation;~~

27                   ~~(iv) Community and societal considerations, including those of~~  
28 ~~any community in which offices or facilities of the benefit corporation or the~~  
29 ~~subsidiaries or suppliers of the benefit corporation are located; and~~

30                   ~~(v) The local and global environment; and~~

31           ~~(2) May consider any other pertinent factors or the interests of any~~  
32 ~~other group that the director OR MEMBER determines are appropriate to consider.~~

1 ~~(b) A director OR MEMBER of a benefit corporation, in the performance of~~  
2 ~~duties in that capacity, does not have any duty to a person that is a beneficiary of the~~  
3 ~~public benefit purposes of the benefit corporation.~~

4 ~~(e) A director of a benefit corporation, in the reasonable performance of~~  
5 ~~duties in accordance with the standard provided in this subtitle, shall have the~~  
6 ~~immunity from liability described in § 5-417 of the Courts Article.~~

7 ~~5-6C-08.~~

8 ~~(a) A benefit corporation shall deliver to each stockholder OR MEMBER an~~  
9 ~~annual benefit report including:~~

10 ~~(1) A description of:~~

11 ~~(i) The ways in which the benefit corporation pursued a general~~  
12 ~~public benefit during the year and the extent to which the general public benefit was~~  
13 ~~created;~~

14 ~~(ii) The ways in which the benefit corporation pursued any~~  
15 ~~specific public benefit that its charter OR ARTICLES OF ORGANIZATION states is the~~  
16 ~~purpose of the benefit corporation to create and the extent to which that specific public~~  
17 ~~benefit was created; and~~

18 ~~(iii) Any circumstances that have hindered the creation by the~~  
19 ~~benefit corporation of the public benefit; and~~

20 ~~(2) An assessment of the societal and environmental performance of~~  
21 ~~the benefit corporation prepared in accordance with a third party standard applied~~  
22 ~~consistently with the prior year's benefit report or accompanied by an explanation of~~  
23 ~~the reasons for any inconsistent application.~~

24 ~~(b) The benefit report shall be delivered to each stockholder OR MEMBER~~  
25 ~~within 120 days following the end of each fiscal year of the benefit corporation.~~

26 ~~(e) (1) A benefit corporation shall post its most recent benefit report on~~  
27 ~~the public portion of its website, if any.~~

28 ~~(2) If a benefit corporation does not have a public website, the benefit~~  
29 ~~corporation shall provide a copy of its most recent benefit report on demand and~~  
30 ~~without charge to any person who requests a copy.~~

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
32 MARYLAND, That Section(s) 4A-1101 through 4A-1103, respectively, and the  
33 subtitle "Subtitle 11. Miscellaneous" of Article – Corporations and Associations of the

1 Annotated Code of Maryland be renumbered to be Section(s) 4A-1201 through  
 2 4A-1203, respectively, and the subtitle "Subtitle 12. Miscellaneous."

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 4 read as follows:

5 Article – Corporations and Associations

6 1-502.

7 (a) (1) The name of a corporation must include one of the following words  
 8 or an abbreviation of one of the following words:

9 [(1)] (I) "Company", if it is not preceded by the word "and" or a  
 10 symbol for the word "and";

11 [(2)] (II) "Corporation";

12 [(3)] (III) "Incorporated"; or

13 [(4)] (IV) "Limited".

14 (2) IF A CORPORATION IS A BENEFIT CORPORATION, THE NAME OF  
 15 THE BENEFIT CORPORATION MUST INCLUDE:

16 (I) THE WORDS "BENEFIT CORPORATION";

17 (II) "BENEFIT CORP.";

18 (III) THE WORDS "BENEFIT COMPANY", IF NOT PRECEDED BY  
 19 THE WORD "AND" OR A SYMBOL FOR THE WORD "AND"; OR

20 (IV) "BENEFIT Co.", IF NOT PRECEDED BY THE WORD "AND"  
 21 OR A SYMBOL FOR THE WORD "AND".

22 (b) (1) The name of a limited liability company must include:

23 [(1)] (I) The words "limited liability company";

24 [(2)] (II) "L.L.C.";

25 [(3)] (III) "LLC";

26 [(4)] (IV) "L.C."; or



1           ~~[(5)]~~ (v) “LC”.

2           **(2) IF A LIMITED LIABILITY COMPANY IS A BENEFIT LIMITED**  
3 **LIABILITY COMPANY, THE NAME OF THE BENEFIT LIMITED LIABILITY COMPANY**  
4 **MUST INCLUDE:**

5           **(I) THE WORDS “BENEFIT LIMITED LIABILITY COMPANY”;**

6           **(II) “BENEFIT L.L.C.”;**

7           **(III) “BENEFIT LLC”;**

8           **(IV) “BENEFIT L.C.”; OR**

9           **(V) “BENEFIT LC”.**

10           **SUBTITLE 11. BENEFIT LIMITED LIABILITY COMPANIES.**

11           **4A-1101.**

12           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
13 **INDICATED.**

14           **(B) “BENEFIT LIMITED LIABILITY COMPANY” MEANS A MARYLAND**  
15 **LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT LIMITED**  
16 **LIABILITY COMPANY IN ACCORDANCE WITH § 4A-1103 OF THIS SUBTITLE AND**  
17 **HAS NOT CEASED TO BE A BENEFIT LIMITED LIABILITY COMPANY THROUGH THE**  
18 **OPERATION OF § 4A-1105 OF THIS SUBTITLE.**

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

23           **(D) “SPECIFIC PUBLIC BENEFIT” INCLUDES:**

24           **(1) PROVIDING INDIVIDUALS OR COMMUNITIES WITH**  
25 **BENEFICIAL PRODUCTS OR SERVICES;**

26           **(2) PROMOTING ECONOMIC OPPORTUNITY FOR INDIVIDUALS OR**  
27 **COMMUNITIES BEYOND THE CREATION OF JOBS IN THE NORMAL COURSE OF**  
28 **BUSINESS;**

29           **(3) PRESERVING THE ENVIRONMENT;**

1           **(4) IMPROVING HUMAN HEALTH;**

2           **(5) PROMOTING THE ARTS, SCIENCES, OR ADVANCEMENT OF**  
3 **KNOWLEDGE;**

4           **(6) INCREASING THE FLOW OF CAPITAL TO ENTITIES WITH A**  
5 **PUBLIC BENEFIT PURPOSE; OR**

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

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

11           **(1) IS DEVELOPED BY A PERSON OR ENTITY THAT IS**  
12 **INDEPENDENT OF THE BENEFIT LIMITED LIABILITY COMPANY; AND**

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

15           **(I) THE FACTORS CONSIDERED WHEN MEASURING THE**  
16 **PERFORMANCE OF A BUSINESS;**

17           **(II) THE RELATIVE WEIGHTINGS OF THOSE FACTORS; AND**

18           **(III) THE IDENTITY OF THE PERSONS WHO DEVELOPED AND**  
19 **CONTROL CHANGES TO THE STANDARD AND THE PROCESS BY WHICH THOSE**  
20 **CHANGES WERE MADE.**

21 **4A-1102.**

22           **(A) THE PROVISIONS OF THIS TITLE APPLY TO BENEFIT LIMITED**  
23 **LIABILITY COMPANIES EXCEPT TO THE EXTENT THAT:**

24           **(1) THE CONTEXT OF A PROVISION CLEARLY REQUIRES**  
25 **OTHERWISE; OR**

26           **(2) A SPECIFIC PROVISION OF THIS TITLE PROVIDES OTHERWISE.**

27           **(B) THIS SUBTITLE APPLIES ONLY TO A BENEFIT LIMITED LIABILITY**  
28 **COMPANY.**

1           (C) (1) THE EXISTENCE OF A PROVISION OF THIS SUBTITLE DOES NOT  
2 OF ITSELF CREATE ANY IMPLICATION THAT A CONTRARY OR DIFFERENT RULE  
3 OF LAW IS OR WOULD BE APPLICABLE TO A LIMITED LIABILITY COMPANY THAT  
4 IS NOT A BENEFIT LIMITED LIABILITY COMPANY.

5           (2) THIS SUBTITLE DOES NOT AFFECT ANY STATUTE OR RULE OF  
6 LAW AS IT APPLIES TO A LIMITED LIABILITY COMPANY THAT IS NOT A BENEFIT  
7 LIMITED LIABILITY COMPANY.

8           (D) A PROVISION OF THE ARTICLES OF ORGANIZATION OR OPERATING  
9 AGREEMENT OF A BENEFIT LIMITED LIABILITY COMPANY MAY NOT BE  
10 INCONSISTENT WITH ANY PROVISION OF THIS SUBTITLE.

11 4A-1103.

12           (A) A LIMITED LIABILITY COMPANY MAY ELECT TO BE A BENEFIT  
13 LIMITED LIABILITY COMPANY UNDER THIS SUBTITLE BY INCLUDING IN ITS  
14 ARTICLES OF ORGANIZATION A STATEMENT THAT THE LIMITED LIABILITY  
15 COMPANY IS A BENEFIT LIMITED LIABILITY COMPANY.

16           (B) THE NAME OF A DOMESTIC BENEFIT LIMITED LIABILITY COMPANY  
17 OR A FOREIGN BENEFIT LIMITED LIABILITY COMPANY AUTHORIZED TO  
18 TRANSACT BUSINESS IN THE STATE MUST COMPLY WITH TITLE 1, SUBTITLE 5  
19 OF THIS ARTICLE.

20 4A-1104.

21           CLEAR REFERENCE TO THE FACT THAT A LIMITED LIABILITY COMPANY IS  
22 A BENEFIT LIMITED LIABILITY COMPANY SHALL APPEAR PROMINENTLY:

23           (1) AT THE HEAD OF THE ARTICLES OF ORGANIZATION OR AN  
24 AMENDMENT TO THE ARTICLES OF ORGANIZATION IN WHICH THE ELECTION TO  
25 BE A BENEFIT LIMITED LIABILITY COMPANY IS MADE;

26           (2) AT THE HEAD OF EACH SUBSEQUENT ARTICLES OF  
27 ORGANIZATION OF THE BENEFIT LIMITED LIABILITY COMPANY; AND

28           (3) ON EACH CERTIFICATE REPRESENTING OUTSTANDING  
29 INTERESTS IN THE BENEFIT LIMITED LIABILITY COMPANY.

30 4A-1105.

31           A BENEFIT LIMITED LIABILITY COMPANY MAY TERMINATE ITS STATUS AS  
32 A BENEFIT LIMITED LIABILITY COMPANY AND CEASE TO BE SUBJECT TO THIS

1 SUBTITLE BY AMENDING ITS ARTICLES OF ORGANIZATION TO DELETE THE  
2 STATEMENT REQUIRED UNDER § 4A-1103 OF THIS SUBTITLE THAT IT IS A  
3 BENEFIT LIMITED LIABILITY COMPANY.

4 4A-1106.

5 (A) (1) EACH BENEFIT LIMITED LIABILITY COMPANY SHALL HAVE  
6 THE PURPOSE OF CREATING A GENERAL PUBLIC BENEFIT.

7 (2) THE PURPOSE DESCRIBED IN PARAGRAPH (1) OF THIS  
8 SUBSECTION IS IN ADDITION TO, AND MAY BE A LIMITATION ON, THE PURPOSES  
9 OF THE BENEFIT LIMITED LIABILITY COMPANY UNDER § 4A-201 OF THIS TITLE.

10 (B) (1) IN ADDITION TO ITS PURPOSES UNDER § 4A-201 OF THIS  
11 TITLE AND SUBSECTION (A) OF THIS SECTION, THE ARTICLES OF ORGANIZATION  
12 OR OPERATING AGREEMENT OF A BENEFIT LIMITED LIABILITY COMPANY MAY  
13 IDENTIFY AS ONE OF THE PURPOSES OF THE BENEFIT LIMITED LIABILITY  
14 COMPANY THE CREATION OF ONE OR MORE SPECIFIC PUBLIC BENEFITS.

15 (2) THE IDENTIFICATION IN ITS ARTICLES OF ORGANIZATION OR  
16 OPERATING AGREEMENT OF A SPECIFIC PUBLIC BENEFIT PURPOSE UNDER  
17 PARAGRAPH (1) OF THIS SUBSECTION DOES NOT LIMIT THE OBLIGATION OF A  
18 BENEFIT LIMITED LIABILITY COMPANY TO CREATE A GENERAL PUBLIC  
19 BENEFIT.

20 4A-1107.

21 (A) A PERSON MANAGING THE BUSINESS AND AFFAIRS OF A BENEFIT  
22 LIMITED LIABILITY COMPANY;

23 (1) SHALL CONSIDER THE EFFECTS OF ANY ACTION OR DECISION  
24 NOT TO ACT ON:

25 (i) THE MEMBERS OF THE BENEFIT LIMITED LIABILITY  
26 COMPANY;

27 (ii) THE EMPLOYEES AND WORKFORCE OF THE BENEFIT  
28 LIMITED LIABILITY COMPANY AND THE SUBSIDIARIES AND SUPPLIERS OF THE  
29 BENEFIT LIMITED LIABILITY COMPANY;

30 (iii) THE INTERESTS OF CUSTOMERS AS BENEFICIARIES OF  
31 THE GENERAL OR SPECIFIC PUBLIC BENEFIT PURPOSES OF THE BENEFIT  
32 LIMITED LIABILITY COMPANY;

1                   (IV) COMMUNITY AND SOCIETAL CONSIDERATIONS,  
2 INCLUDING THOSE OF ANY COMMUNITY IN WHICH OFFICES OR FACILITIES OF  
3 THE BENEFIT LIMITED LIABILITY COMPANY OR THE SUBSIDIARIES OR  
4 SUPPLIERS OF THE BENEFIT LIMITED LIABILITY COMPANY ARE LOCATED; AND

5                   (V) THE LOCAL AND GLOBAL ENVIRONMENT; AND

6                   (2) MAY CONSIDER ANY OTHER PERTINENT FACTORS OR THE  
7 INTERESTS OF ANY OTHER GROUP THAT THE PERSON DETERMINES ARE  
8 APPROPRIATE TO CONSIDER.

9                   (B) A PERSON MANAGING THE BUSINESS AND AFFAIRS OF A BENEFIT  
10 LIMITED LIABILITY COMPANY DOES NOT HAVE ANY DUTY ON ACCOUNT OF THE  
11 FACTORS OR INTERESTS SET FORTH IN THIS SECTION TO:

12                   (1) A PERSON THAT IS A BENEFICIARY OF THE PUBLIC BENEFIT  
13 PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY; OR

14                   (2) A MEMBER OF THE BENEFIT LIMITED LIABILITY COMPANY.

15 4A-1108.

16                   (A) A BENEFIT LIMITED LIABILITY COMPANY SHALL DELIVER TO EACH  
17 MEMBER AN ANNUAL BENEFIT REPORT INCLUDING:

18                   (1) A DESCRIPTION OF:

19                   (I) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY  
20 COMPANY PURSUED A GENERAL PUBLIC BENEFIT DURING THE YEAR AND THE  
21 EXTENT TO WHICH THE GENERAL PUBLIC BENEFIT WAS CREATED;

22                   (II) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY  
23 COMPANY PURSUED ANY SPECIFIC PUBLIC BENEFIT THAT ITS ARTICLES OF  
24 ORGANIZATION OR OPERATING AGREEMENT STATES IS THE PURPOSE OF THE  
25 BENEFIT LIMITED LIABILITY COMPANY TO CREATE AND THE EXTENT TO WHICH  
26 THAT SPECIFIC PUBLIC BENEFIT WAS CREATED; AND

27                   (III) ANY CIRCUMSTANCES THAT HAVE HINDERED THE  
28 CREATION BY THE BENEFIT LIMITED LIABILITY COMPANY OF THE PUBLIC  
29 BENEFIT; AND

30                   (2) AN ASSESSMENT OF THE SOCIETAL AND ENVIRONMENTAL  
31 PERFORMANCE OF THE BENEFIT LIMITED LIABILITY COMPANY PREPARED IN  
32 ACCORDANCE WITH A THIRD-PARTY STANDARD APPLIED CONSISTENTLY WITH

1 THE PRIOR YEAR'S BENEFIT REPORT OR ACCOMPANIED BY AN EXPLANATION OF  
 2 THE REASONS FOR ANY INCONSISTENT APPLICATION.

3 (B) THE BENEFIT REPORT SHALL BE DELIVERED TO EACH MEMBER  
 4 WITHIN 120 DAYS FOLLOWING THE END OF EACH FISCAL YEAR OF THE BENEFIT  
 5 LIMITED LIABILITY COMPANY.

6 (C) (1) A BENEFIT LIMITED LIABILITY COMPANY SHALL POST ITS  
 7 MOST RECENT BENEFIT REPORT ON THE PUBLIC PORTION OF ITS WEB SITE, IF  
 8 ANY.

9 (2) IF A BENEFIT LIMITED LIABILITY COMPANY DOES NOT HAVE A  
 10 PUBLIC WEB SITE, THE BENEFIT LIMITED LIABILITY COMPANY SHALL PROVIDE  
 11 A COPY OF ITS MOST RECENT BENEFIT REPORT ON DEMAND AND WITHOUT  
 12 CHARGE TO ANY PERSON WHO REQUESTS A COPY.

13 5-6C-03.

14 (a) A corporation may elect to be a benefit corporation under this subtitle by  
 15 amending or including in the charter of the corporation a statement that the  
 16 corporation is a benefit corporation.

17 (b) An amendment described in subsection (a) of this section shall be  
 18 approved in accordance with Title 2, Subtitle 6 of this article.

19 (C) THE NAME OF A DOMESTIC BENEFIT CORPORATION OR A FOREIGN  
 20 BENEFIT CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE  
 21 MUST COMPLY WITH TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

22 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
 23 effect ~~October~~ June 1, 2011.

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.