

# HOUSE BILL 1151

C1

(11r2906)

## ENROLLED BILL

— Economic Matters/Judicial Proceedings —

Introduced by **Delegate Feldman**

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.

\_\_\_\_\_  
Speaker.

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

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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 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 adding to  
 38 Article – Corporations and Associations  
 39 Section 4A-1101 through 4A-1108, to be under the new subtitle “Subtitle 11.  
 40 Benefit Limited Liability Companies”  
 41 Annotated Code of Maryland  
 42 (2007 Replacement Volume and 2010 Supplement)

1 BY repealing and reenacting, with amendments,  
 2 Article – Corporations and Associations  
 3 Section 1-502(a) and (b) and 5-6C-03  
 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 SUBTITLE 11. BENEFIT LIMITED LIABILITY COMPANIES.

7 4A-1101.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) "BENEFIT LIMITED LIABILITY COMPANY" MEANS A MARYLAND  
11 LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT LIMITED  
12 LIABILITY COMPANY IN ACCORDANCE WITH § 4A-1103 OF THIS SUBTITLE AND  
13 HAS NOT CEASED TO BE A BENEFIT LIMITED LIABILITY COMPANY THROUGH THE  
14 OPERATION OF § 4A-1105 OF THIS SUBTITLE.

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

19 (D) "SPECIFIC PUBLIC BENEFIT" INCLUDES:

20 (1) PROVIDING INDIVIDUALS OR COMMUNITIES WITH  
21 BENEFICIAL PRODUCTS OR SERVICES;

22 (2) PROMOTING ECONOMIC OPPORTUNITY FOR INDIVIDUALS OR  
23 COMMUNITIES BEYOND THE CREATION OF JOBS IN THE NORMAL COURSE OF  
24 BUSINESS;

25 (3) PRESERVING THE ENVIRONMENT;

26 (4) IMPROVING HUMAN HEALTH;

27 (5) PROMOTING THE ARTS, SCIENCES, OR ADVANCEMENT OF  
28 KNOWLEDGE;

29 (6) INCREASING THE FLOW OF CAPITAL TO ENTITIES WITH A  
30 PUBLIC BENEFIT PURPOSE; OR



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

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

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

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

10                           **(I) THE FACTORS CONSIDERED WHEN MEASURING THE**  
11 **PERFORMANCE OF A BUSINESS;**

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

13                                   **(III) THE IDENTITY OF THE PERSONS WHO DEVELOPED AND**  
14 **CONTROL CHANGES TO THE STANDARD AND THE PROCESS BY WHICH THOSE**  
15 **CHANGES WERE MADE.**

16 **4A-1102.**

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

19                   **(1) THE CONTEXT OF A PROVISION CLEARLY REQUIRES**  
20 **OTHERWISE; OR**

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

22           **(B) THIS SUBTITLE APPLIES ONLY TO A BENEFIT LIMITED LIABILITY**  
23 **COMPANY.**

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

28                   **(2) THIS SUBTITLE DOES NOT AFFECT ANY STATUTE OR RULE OF**  
29 **LAW AS IT APPLIES TO A LIMITED LIABILITY COMPANY THAT IS NOT A BENEFIT**  
30 **LIMITED LIABILITY COMPANY.**

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

4 4A-1103.

5 (A) A LIMITED LIABILITY COMPANY MAY ELECT TO BE A BENEFIT  
6 LIMITED LIABILITY COMPANY UNDER THIS SUBTITLE BY INCLUDING IN ITS  
7 ARTICLES OF ORGANIZATION A STATEMENT THAT THE LIMITED LIABILITY  
8 COMPANY IS A BENEFIT LIMITED LIABILITY COMPANY.

9 (B) THE NAME OF A DOMESTIC BENEFIT LIMITED LIABILITY COMPANY  
10 OR A FOREIGN BENEFIT LIMITED LIABILITY COMPANY AUTHORIZED TO  
11 TRANSACT BUSINESS IN THE STATE MUST COMPLY WITH TITLE 1, SUBTITLE 5  
12 OF THIS ARTICLE.

13 4A-1104.

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

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

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

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

23 4A-1105.

24 A BENEFIT LIMITED LIABILITY COMPANY MAY TERMINATE ITS STATUS AS  
25 A BENEFIT LIMITED LIABILITY COMPANY AND CEASE TO BE SUBJECT TO THIS  
26 SUBTITLE BY AMENDING ITS ARTICLES OF ORGANIZATION TO DELETE THE  
27 STATEMENT REQUIRED UNDER § 4A-1103 OF THIS SUBTITLE THAT IT IS A  
28 BENEFIT LIMITED LIABILITY COMPANY.

29 4A-1106.

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

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

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

9           **(2) THE IDENTIFICATION IN ITS ARTICLES OF ORGANIZATION OR**  
10 **OPERATING AGREEMENT OF A SPECIFIC PUBLIC BENEFIT PURPOSE UNDER**  
11 **PARAGRAPH (1) OF THIS SUBSECTION DOES NOT LIMIT THE OBLIGATION OF A**  
12 **BENEFIT LIMITED LIABILITY COMPANY TO CREATE A GENERAL PUBLIC**  
13 **BENEFIT.**

14 **4A-1107.**

15           **(A) A PERSON MANAGING THE BUSINESS AND AFFAIRS OF A BENEFIT**  
16 **LIMITED LIABILITY COMPANY:**

17                   **(1) SHALL CONSIDER THE EFFECTS OF ANY ACTION OR DECISION**  
18 **NOT TO ACT ON:**

19                           **(i) THE MEMBERS OF THE BENEFIT LIMITED LIABILITY**  
20 **COMPANY;**

21                                   **(ii) THE EMPLOYEES AND WORKFORCE OF THE BENEFIT**  
22 **LIMITED LIABILITY COMPANY AND THE SUBSIDIARIES AND SUPPLIERS OF THE**  
23 **BENEFIT LIMITED LIABILITY COMPANY;**

24   **(iii) THE INTERESTS OF CUSTOMERS AS BENEFICIARIES OF**  
25 **THE GENERAL OR SPECIFIC PUBLIC BENEFIT PURPOSES OF THE BENEFIT**  
26 **LIMITED LIABILITY COMPANY;**

27   **(iv) COMMUNITY AND SOCIETAL CONSIDERATIONS,**  
28 **INCLUDING THOSE OF ANY COMMUNITY IN WHICH OFFICES OR FACILITIES OF**  
29 **THE BENEFIT LIMITED LIABILITY COMPANY OR THE SUBSIDIARIES OR**  
30 **SUPPLIERS OF THE BENEFIT LIMITED LIABILITY COMPANY ARE LOCATED; AND**

31   **(v) THE LOCAL AND GLOBAL ENVIRONMENT; AND**

1           **(2) MAY CONSIDER ANY OTHER PERTINENT FACTORS OR THE**  
2 **INTERESTS OF ANY OTHER GROUP THAT THE PERSON DETERMINES ARE**  
3 **APPROPRIATE TO CONSIDER.**

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

7           **(1) A PERSON THAT IS A BENEFICIARY OF THE PUBLIC BENEFIT**  
8 **PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY; OR**

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

10 **4A-1108.**

11           **(A) A BENEFIT LIMITED LIABILITY COMPANY SHALL DELIVER TO EACH**  
12 **MEMBER AN ANNUAL BENEFIT REPORT INCLUDING:**

13           **(1) A DESCRIPTION OF:**

14           **(i) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY**  
15 **COMPANY PURSUED A GENERAL PUBLIC BENEFIT DURING THE YEAR AND THE**  
16 **EXTENT TO WHICH THE GENERAL PUBLIC BENEFIT WAS CREATED;**

17           **(ii) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY**  
18 **COMPANY PURSUED ANY SPECIFIC PUBLIC BENEFIT THAT ITS ARTICLES OF**  
19 **ORGANIZATION OR OPERATING AGREEMENT STATES IS THE PURPOSE OF THE**  
20 **BENEFIT LIMITED LIABILITY COMPANY TO CREATE AND THE EXTENT TO WHICH**  
21 **THAT SPECIFIC PUBLIC BENEFIT WAS CREATED; AND**

22           **(iii) ANY CIRCUMSTANCES THAT HAVE HINDERED THE**  
23 **CREATION BY THE BENEFIT LIMITED LIABILITY COMPANY OF THE PUBLIC**  
24 **BENEFIT; AND**

25           **(2) AN ASSESSMENT OF THE SOCIETAL AND ENVIRONMENTAL**  
26 **PERFORMANCE OF THE BENEFIT LIMITED LIABILITY COMPANY PREPARED IN**  
27 **ACCORDANCE WITH A THIRD-PARTY STANDARD APPLIED CONSISTENTLY WITH**  
28 **THE PRIOR YEAR'S BENEFIT REPORT OR ACCOMPANIED BY AN EXPLANATION OF**  
29 **THE REASONS FOR ANY INCONSISTENT APPLICATION.**

30           **(B) THE BENEFIT REPORT SHALL BE DELIVERED TO EACH MEMBER**  
31 **WITHIN 120 DAYS FOLLOWING THE END OF EACH FISCAL YEAR OF THE BENEFIT**  
32 **LIMITED LIABILITY COMPANY.**

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

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

8 1-502.

9           **(a) (1) The name of a corporation must include one of the following words**  
 10 **or an abbreviation of one of the following words:**

11                   **[(1)] (I) “Company”, if it is not preceded by the word “and” or a**  
 12 **symbol for the word “and”;**

13                   **[(2)] (II) “Corporation”;**

14                   **[(3)] (III) “Incorporated”; or**

15                   **[(4)] (IV) “Limited”.**

16           **(2) IF A CORPORATION IS A BENEFIT CORPORATION, THE NAME OF**  
 17 **THE BENEFIT CORPORATION MUST INCLUDE:**

18                   **(I) THE WORDS “BENEFIT CORPORATION”;**

19                   **(II) “BENEFIT CORP.”;**

20                   **(III) THE WORDS “BENEFIT COMPANY”, IF NOT PRECEDED BY**  
 21 **THE WORD “AND” OR A SYMBOL FOR THE WORD “AND”; OR**

22                   **(IV) “BENEFIT Co.”, IF NOT PRECEDED BY THE WORD “AND”**  
 23 **OR A SYMBOL FOR THE WORD “AND”.**

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

25                   **[(1)] (I) The words “limited liability company”;**

26                   **[(2)] (II) “L.L.C.”;**

27                   **[(3)] (III) “LLC”;**

28                   **[(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 5-6C-03.

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

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

16            (c) **THE NAME OF A DOMESTIC BENEFIT CORPORATION OR A FOREIGN**  
 17 **BENEFIT CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE**  
 18 **MUST COMPLY WITH TITLE 1, SUBTITLE 5 OF THIS ARTICLE.**

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.