

## State Corporation Commission 2011 Fiscal Impact Statement

**1. Bill Number:** HB2358

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** McClellan

**3. Committee:** Commerce and Labor

**4. Title:** Benefit corporations.

**5. Summary:** Benefit corporations. Authorizes a Virginia stock corporation to elect to be a benefit corporation by including in its articles of incorporation, or amending existing articles to include, a statement that the corporation is a benefit corporation. A benefit corporation is required to have the purpose of creating a general public benefit, which is defined as a material positive impact on society and the environment taken as a whole, as measured by a third-party standard, from the business and operations of a benefit corporation. In addition, a benefit corporation may have the purpose of creating one or more specific public benefits, which include 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 in the normal course of business; preserving the environment; improving human health; promoting the arts, sciences, or advancement of knowledge; increasing the flow of capital to entities with a public benefit purpose; and conferring any other particular benefit on society or the environment. In determining what the director of such a corporation reasonably believes to be in the best interests of the corporation, he is required to consider the effects of any action on shareholders, and other persons and issues. A benefit corporation shall deliver to shareholders an annual report describing the ways in which the corporation generally pursued its general public benefit and related matters. A copy of the report shall be filed with the State Corporation Commission. A benefit corporation's status as such will be revoked if the report is not filed for two consecutive years.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission.

**8. Fiscal Implications:** None on the State Corporation Commission

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission.

**10. Technical Amendment Necessary:** Yes, see Item 11.

**11. Other Comments:** Pursuant to discussions with the patron, a substitute bill will be submitted which is expected to eliminate any and all impacts on the SCC's Clerk's Office.

**Date:** 1/18/2011 JP