



## OREGON BUSINESS ASSOCIATION

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Chair Beyer, Vice Chair Starr and members of the committee,

### The Oregon Business Association (OBA) supports House Bill 2296 A.

The Oregon Business Association supports House Bill 2296 A, which creates the Oregon benefit company model that supports the work of sustainable businesses. In addition, this legislation offers Oregon companies more choices and encourages business activity with a positive impact and mission that is broader than simply maximizing profit. We also support this particular (and unique to Oregon) model that allows both LLCs and corporations to become benefit companies, subject to the same requirements. By offering benefit company status to Limited Liability Companies (LLCs) as well as Corporations, Oregon is going above and beyond the typical benefit corporation approach, and opening up this market to all interested entrepreneurs.

OBA's mission, supported by Oregon businesses, large and small, urban and rural, is working to achieve balanced policy solutions to strengthen quality of life and the state's long-term economic competitiveness. This legislation is not only in line with our own "triple bottom line" philosophy (considering people *and* planet, not just profit), but that of most of our members. Benefit company legislation allows these companies to *voluntarily* choose a business form that will provide growth opportunities for their business without fear of mission change or lawsuits for *considering* issues in addition to profit.

#### **Attracting private capital**

Benefit company status is a tool that companies can use to attract investment capital, both from within and outside of Oregon, which will help them grow and positively impact our communities. For example, this legislation is supported specifically by the following OBA members: Better World Club, Blue Street Strategies, Capital Pacific Bank, Celilo Group Media, Equilibrium Capital Group LLC, Miller Nash LLP and Neil Kelly Company. There is an estimated \$3 trillion dollars in social impact investment capital in the marketplace today, and benefit company legislation provides the tools by which companies can attract these investors to our state. Investors across the country are increasingly seeking mission clarity and we should not pass up the opportunity to pass legislation that will attract much needed investment capital to our businesses and our communities.

As a statewide business advocate and supporter of the long-term enhancement of Oregon's business climate, OBA believes in working to ensure that the marketplace is functioning at full strength. Benefit company legislation is a great economic development tool for the Oregon, since it does not take taxpayer dollars to implement, does not affect existing corporations, is voluntary, and does not provide any tax benefits.

#### **Differentiating Oregon businesses**

As a business association that interacts with entrepreneurs and with large and small business members located from Bend to Portland to Boardman, we can attest to the need for Oregon benefit company legislation as a legal innovation that: a) helps both LLCs and Corporations that register as benefit companies differentiate themselves in a cluttered marketplace and, b) protects

Corporations that register as benefit companies, as they grow so they can create even more high quality jobs and continue to improve the quality of life in their communities. An exploratory effort of benefit companies during Oregon's February 2012 session showed extensive interest and support. In addition, Oregon is following a national trend, with similar legislation now signed into law in Maryland, Vermont, California, New York, New Jersey, Hawaii, Louisiana, South Carolina, Illinois, Massachusetts, and Virginia, with current legislative consideration in Washington D.C. and Pennsylvania. Let's not let Oregon miss this opportunity to create a unique corporate form that codifies its commitment to sustainable communities, and in turn, companies that share those values.

Thank you for your time and consideration.

D.J. Vogt

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