

# WILLAMETTE VALLEY

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## VINEYARDS

### **Support HB 2859 Which Promotes Benefit Companies in Oregon**

An Oregon benefit company is a type of corporation or limited liability company (LLC) that considers its impact on society and the environment in the business decision-making process, in addition to earning a profit. Benefit companies are redefining success in business.

Willamette Valley Vineyards founder Jim Bernau believes that these part profit-oriented and part purpose-oriented companies that look a little like a business, a little like a social-service provider and little like a charity – or some mix of all three should be promoted in Oregon. Benefit companies can provide greater economic opportunity for individuals and communities and can help address environmental and societal challenges.

Benefit companies enhance Oregon's ethos and HB 2859 would promote their growth in Oregon by encouraging companies to organize as benefit companies and investors to support companies that seek to make a profit while providing a measurable and accountable social good. The bill reduces the rate of personal income tax on capital gains attributed to benefit companies by one percent in an effort to encourage responsible investing. HB 2859 also reduces the corporate tax imposed on benefit companies by one percent.

With approximately 300 businesses incorporated as benefit companies in Oregon, the tax rate reductions won't have much of a fiscal impact but will send a message that Oregon believes that the contributions benefit companies make to Oregon's economy, environment and social fabric should be acknowledged and rewarded. By adopting a tax policy that promotes benefit businesses, Oregon would be sending a clear message that the state values their role. and might encourage business development for the state.

Willamette Valley Vineyards encourages you to support HB 2859 and help encourage business development and investment that can enrich Oregon.

*Please see the next page for additional information on benefit companies.*

## **Benefit Companies Are Redefining Success in Business**

Benefit companies differ from traditional corporations and LLCs with regard to their purpose, accountability and transparency. Benefit companies exist to create a general public benefit, which is defined as “a material positive impact on society and environment, taken as a whole, from the business and operations of the company.”

To become a benefit company, an Oregon corporation or LLC must do the following:

- Include a statement in the articles of incorporation or organization that says the corporation or LLC is a benefit company subject to ORS 60.750 - ORS 60.770.
- Adopt a third-party standard.
- Prepare an annual benefit report identifying:
  - The actions and methods used to provide a general or specific public benefit.
  - Any circumstances that hindered or prevented a benefit.
  - How well the benefit company met or exceeded the third-party standard.
- Distribute the annual benefit report to the owners and post it on the company’s website.

Each year, a benefit company must prepare an annual benefit report. This is essentially an assessment of the business’ overall social and environmental performance.

Each benefit company is required to assess itself by a third-party standard to ensure it’s creating a positive impact. The third-party standard is a recognized standard for defining, reporting and assessing a business’ social and environmental performance by assessing:

- The employees and work force of the business, its subsidiaries and suppliers;
- The interests of customers and beneficiaries of the business;
- The community and societal factors, including those of each community in which offices or facilities of the business, its subsidiaries or its suppliers.

Currently, there are approximately 330 businesses registered at benefit companies in Oregon.