

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Fiscal: No Fiscal Impact

Revenue: No Revenue Impact

Action Date: 05/18/15

Action: Do Pass.

Meeting Dates: 05/18

Vote:

Yeas: 4 - Beyer, Girod, Monroe, Riley

Exc: 1 - Thomsen

Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:

Revises voting requirements for certain actions related to formation or conversion of benefit companies.

ISSUES DISCUSSED:

- Challenges meeting two-thirds majority requirement for broad-based owned companies
- Oregon's first "penny-stock" or crowd-funded company, Willamette Valley Vineyards

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

Through passage of House Bill 2296 (2013), the Legislative Assembly allowed the formation of, or conversion of existing companies to, benefit companies (commonly referred to as "B corps"). A benefit company can, in addition to seeking a profit, make as part of its mission the goal of providing a material positive impact on society and the environment through its operations. The enabling legislation provided the voting requirements of an entity's shareholders in order to form or convert to a benefit company. For a publicly traded entity, each class or series of the entity's shares must separately meet the requirement to approve the action by two-thirds of the shares entitled to vote. House Bill 3501 allows the majority (instead of two-thirds) of each class or series of shareholders to separately approve the action if the entity has gross revenues of \$200 million or less.