

STATEMENT OF PURPOSE

RS23385

A benefit corporation is a new class of corporation that voluntarily meets higher standards of corporate purpose, accountability, and transparency. Twenty-six states and the District of Columbia legally recognize benefit corporation status. Benefit Corporation status does not affect a company's tax status and a company does not have to receive certification to hold benefit corporation status.

The purpose of this legislation is to create the addition of a new chapter and title of Idaho code to establish incorporation requirements for benefit corporations, to define benefit corporations and outline the process by which to adopt and terminate benefit corporation status. Standards of conduct and rules are outlined for Directors, Benefit Directors, Officers and Benefit Officers. This legislation also outlines the means by which to bring an action on behalf of a benefit corporation, requires an annual report of benefit corporations and make that report available to certain persons and the public.

FISCAL NOTE

There will be no fiscal impact to neither the general fund, nor to county and local governments.

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