



SENATE MAJORITY OFFICE

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CONTACT: Tom Powers (503) 986-1074
tom.powers@state.or.us

Legislation creates new path for businesses to serve the common good

HB 2296A allows for the creation of 'benefit companies' that pursue social, environmental benefits

SALEM—The Oregon Senate today passed legislation to enable businesses and corporations to adopt a mission that explicitly serves the public interest. House Bill 2296A, which passed on a vote of 22-8, allows for the creation of 'benefit companies' that identify providing a public benefit as one of the main objectives of the company.

"Many businesses are already adding to Oregon's qualities that make it great place to live. But we don't currently have a designation for companies that pursue the common good as part of their bottom line," said Senator Jackie Dingfelder (D-Portland). "With benefit companies, we can attract socially-minded entrepreneurs and investors to Oregon, which will improve our communities and spur job growth."

Currently, legal designations for corporate and business organizations focus the duties of corporate officers on matters of financial stability and success. Businesses that wish to provide a larger community benefit under the current structure must validate these benefits in the context of the financial viability of the organization. Under HB 2296A, a company can add a social or environmental benefit as a key mission of the business in addition to profit.

"By establishing benefit companies, we can attract new businesses to Oregon that focus on serving the greater good while providing a real economic value to owners, employees, and communities," said Senate Majority Leader Diane Rosenbaum. "Today's vote is a step towards making Oregon a true leader in a new economy that encourages more businesses to pursue more than just profit."

HB 2296A allows companies of varying size to adopt the benefit company designation, and requires these companies to compile an annual report about the social or environmental benefits provided by the organization.

"This legislation will attract the type of innovative, socially-minded companies that make Oregon such a unique place," said Secretary of State Kate Brown, who drafted and introduced HB 2296A along with Rep. Tobias Read (D-Beaverton). "I want to congratulate the Senate and the House for their bipartisan support of this important bill."

House Bill 2296A will now go to Governor John A. Kitzhaber for his signature.

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