

Chapter 500

(Senate Bill 595)

AN ACT concerning

Corporations and Associations – Name Requirements for Benefit Corporations
and Limited Liability Companies – Election to Be a Benefit Corporation
Limited Liability Company

FOR the purpose of authorizing a Maryland limited liability company to elect to be a benefit corporation; ~~specifying the process by which a limited liability company may elect to be a benefit corporation~~ limited liability company by including a certain statement in its articles of organization; specifying the process by which a limited liability company may terminate its status as a benefit corporation limited liability company; requiring a clear reference to the fact that a limited liability company is a benefit corporation limited liability company to appear prominently at the head of certain articles of organization of the limited liability company or an amendment to the articles of organization; establishing certain requirements for the name of certain benefit limited liability companies; requiring the limited liability company a benefit limited liability company to have a certain purpose; authorizing the limited liability company a benefit limited liability company to have a certain purpose; requiring a member of the limited liability company person managing the business and affairs of a benefit limited liability company to consider the effects of certain actions or decisions not to act on certain persons and interests; providing that a person managing the business and affairs of a benefit limited liability company does not have any duty to certain persons on account of certain factors or interests; requiring the limited liability company a benefit limited liability company to deliver a certain annual benefit report to each member of the limited liability company within a certain time period and to post the report on a certain portion of its Web site under certain circumstances; prohibiting a provision of the articles of organization or operating agreement of the limited liability company a benefit limited liability company from being inconsistent with certain provisions of law; establishing certain requirements for the name of certain benefit corporations; altering a certain definition; making certain conforming changes; defining certain terms; and generally relating to limited liability companies and benefit corporations limited liability companies, and benefit corporations.

~~BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 5-6C-01, 5-6C-02, and 5-6C-04 through 5-6C-08
Annotated Code of Maryland
(2007 Replacement Volume and 2010 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article – Corporations and Associations~~

~~Section 5-6C-03~~

~~Annotated Code of Maryland~~

~~(2007 Replacement Volume and 2010 Supplement)~~

~~(As enacted by Chapters 97 and 98 of the Acts of the General Assembly of 2010)~~

BY renumbering

Article – Corporations and Associations

Section 4A-1101 through 4A-1103, respectively, and the subtitle “Subtitle 11. Miscellaneous”

to be Section 4A-1201 through 4A-1203, respectively, and the subtitle “Subtitle 12. Miscellaneous”

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)

BY repealing and reenacting, with amendments,

Article – Corporations and Associations

Section 1-502(a) and (b) and 5-6C-03

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)

BY adding to

Article – Corporations and Associations

Section 4A-1101 through 4A-1108, to be under the new subtitle “Subtitle 11. Benefit Limited Liability Companies”

Annotated Code of Maryland

(2007 Replacement Volume and 2010 Supplement)

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:~~

~~**Article – Corporations and Associations**~~

~~5-6C-01.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(b) “Benefit corporation” means a Maryland corporation OR MARYLAND LIMITED LIABILITY COMPANY that elects to be a benefit corporation in accordance with § 5-6C-03 of this subtitle and has not ceased to be a benefit corporation through the operation of § 5-6C-04 of this subtitle.~~

~~(c) “General public benefit” means a material, positive impact on society and the environment, as measured by a third-party standard, through activities that promote a combination of specific public benefits.~~

~~(d) "Specific public benefit" includes:~~

- ~~(1) Providing individuals or communities with beneficial products or services;~~
- ~~(2) Promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business;~~
- ~~(3) Preserving the environment;~~
- ~~(4) Improving human health;~~
- ~~(5) Promoting the arts, sciences, or advancement of knowledge;~~
- ~~(6) Increasing the flow of capital to entities with a public benefit purpose; or~~
- ~~(7) The accomplishment of any other particular benefit for society or the environment.~~

~~(e) "Third party standard" means a standard for defining, reporting, and assessing best practices in corporate social and environmental performance that:~~

- ~~(1) Is developed by a person or entity that is independent of the benefit corporation; and~~
- ~~(2) Is transparent because the following information about the standard is publicly available or accessible:~~
 - ~~(i) The factors considered when measuring the performance of a business;~~
 - ~~(ii) The relative weightings of those factors; and~~
 - ~~(iii) The identity of the persons who developed and control changes to the standard and the process by which those changes were made.~~

~~5-6C-02.~~

~~(a) The provisions of the Maryland General Corporation Law apply to benefit corporations except to the extent that:~~

- ~~(1) The context of a provision clearly requires otherwise; or~~

~~(2) A specific provision of this subtitle or another provision of law governing specific classes of corporations OR LIMITED LIABILITY COMPANIES provides otherwise.~~

~~(b) This subtitle applies only to benefit corporations.~~

~~(e) (1) The existence of a provision of this subtitle does not of itself create any implication that a contrary or different rule of law is or would be applicable to a corporation OR LIMITED LIABILITY COMPANY that is not a benefit corporation.~~

~~(2) This subtitle does not affect any statute or rule of law as it applies to a corporation OR LIMITED LIABILITY COMPANY that is not a benefit corporation.~~

~~(d) A provision of the charter [or], bylaws, ARTICLES OF ORGANIZATION, OR OPERATING AGREEMENT of a benefit corporation may not be inconsistent with any provision of this subtitle.~~

~~5-6C-03.~~

~~(a) (1) A corporation may elect to be a benefit corporation under this subtitle by amending or including in the charter of the corporation a statement that the corporation is a benefit corporation.~~

~~(2) A LIMITED LIABILITY COMPANY MAY ELECT TO BE A BENEFIT CORPORATION UNDER THIS SUBTITLE BY AMENDING OR INCLUDING IN THE ARTICLES OF ORGANIZATION OF THE LIMITED LIABILITY COMPANY A STATEMENT THAT THE LIMITED LIABILITY COMPANY IS A BENEFIT CORPORATION.~~

~~(b) (1) An amendment described in subsection [(a)] (A)(1) of this section shall be approved in accordance with Title 2, Subtitle 6 of this article.~~

~~(2) AN AMENDMENT DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION SHALL BE APPROVED IN ACCORDANCE WITH § 4A-204(C)(2) OF THIS ARTICLE.~~

~~5-6C-04.~~

~~(a) A corporation OR LIMITED LIABILITY COMPANY may terminate ITS status as a benefit corporation and cease to be subject to this subtitle by amending the charter of the corporation OR THE ARTICLES OF ORGANIZATION OF THE LIMITED LIABILITY COMPANY to delete the statement that the corporation OR LIMITED LIABILITY COMPANY is a benefit corporation.~~

~~(b) An amendment terminating [a corporation's] THE status OF A CORPORATION OR LIMITED LIABILITY COMPANY as a benefit corporation shall be approved by the stockholders of the corporation in accordance with Title 2, Subtitle 6 of this article OR THE MEMBERS OF THE LIMITED LIABILITY COMPANY IN ACCORDANCE WITH § 4A-204(C)(2) OF THIS ARTICLE.~~

~~5-6C-05.~~

~~Clear reference to the fact that a corporation OR LIMITED LIABILITY COMPANY is a benefit corporation shall appear prominently:~~

~~(1) At the head of the charter document OR ARTICLES OF ORGANIZATION in which the election to be a benefit corporation is made;~~

~~(2) At the head of each subsequent charter document OR ARTICLES OF ORGANIZATION of the benefit corporation; and~~

~~(3) On each certificate representing outstanding stock of the benefit corporation.~~

~~5-6C-06.~~

~~(a) (1) Each benefit corporation shall have the purpose of creating a general public benefit.~~

~~(2) The purpose described in paragraph (1) of this subsection is in addition to, and may be a limitation on, the purposes of the corporation under § 2-101 of this article OR OF THE LIMITED LIABILITY COMPANY UNDER § 4A-201 OF THIS ARTICLE.~~

~~(b) (1) In addition to its purposes under § 2-101 OR § 4A-201 of this article and subsection (a) of this section, the charter OR ARTICLES OF ORGANIZATION of a benefit corporation may identify as one of the purposes of the benefit corporation the creation of one or more specific public benefits.~~

~~(2) The identification in its charter OR ARTICLES OF ORGANIZATION of a specific public benefit purpose under paragraph (1) of this subsection does not limit the obligation of a benefit corporation to create a general public benefit.~~

~~(c) The creation of a general public benefit or specific public benefit as provided in subsections (a) and (b) of this section is in the best interests of the benefit corporation.~~

~~5-6C-07.~~

~~(a) A director OR MEMBER of a benefit corporation, in performing the duties of a director OR MEMBER, including the director's duties as a member of a committee and in addition to the duties described in § 2-405.1 of this article:~~

~~(1) In determining what the director OR MEMBER reasonably believes to be in the best interests of the benefit corporation, shall consider the effects of any action or decision not to act on:~~

~~(i) The stockholders OR MEMBERS of the benefit corporation;~~

~~(ii) The employees and workforce of the benefit corporation and the subsidiaries and suppliers of the benefit corporation;~~

~~(iii) The interests of customers as beneficiaries of the general or specific public benefit purposes of the benefit corporation;~~

~~(iv) Community and societal considerations, including those of any community in which offices or facilities of the benefit corporation or the subsidiaries or suppliers of the benefit corporation are located; and~~

~~(v) The local and global environment; and~~

~~(2) May consider any other pertinent factors or the interests of any other group that the director OR MEMBER determines are appropriate to consider.~~

~~(b) A director OR MEMBER of a benefit corporation, in the performance of duties in that capacity, does not have any duty to a person that is a beneficiary of the public benefit purposes of the benefit corporation.~~

~~(c) A director of a benefit corporation, in the reasonable performance of duties in accordance with the standard provided in this subtitle, shall have the immunity from liability described in § 5-417 of the Courts Article.~~

~~5-6C-08.~~

~~(a) A benefit corporation shall deliver to each stockholder OR MEMBER an annual benefit report including:~~

~~(1) A description of:~~

~~(i) The ways in which the benefit corporation pursued a general public benefit during the year and the extent to which the general public benefit was created;~~

~~(ii) The ways in which the benefit corporation pursued any specific public benefit that its charter OR ARTICLES OF ORGANIZATION states is the purpose of the benefit corporation to create and the extent to which that specific public benefit was created; and~~

~~(iii) Any circumstances that have hindered the creation by the benefit corporation of the public benefit; and~~

~~(2) An assessment of the societal and environmental performance of the benefit corporation prepared in accordance with a third party standard applied consistently with the prior year's benefit report or accompanied by an explanation of the reasons for any inconsistent application.~~

~~(b) The benefit report shall be delivered to each stockholder OR MEMBER within 120 days following the end of each fiscal year of the benefit corporation.~~

~~(e) (1) A benefit corporation shall post its most recent benefit report on the public portion of its website, if any.~~

~~(2) If a benefit corporation does not have a public website, the benefit corporation shall provide a copy of its most recent benefit report on demand and without charge to any person who requests a copy.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 4A-1101 through 4A-1103, respectively, and the subtitle "Subtitle 11. Miscellaneous" of Article – Corporations and Associations of the Annotated Code of Maryland be renumbered to be Section(s) 4A-1201 through 4A-1203, respectively, and the subtitle "Subtitle 12. Miscellaneous."

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Corporations and Associations

1-502.

(a) (1) The name of a corporation must include one of the following words or an abbreviation of one of the following words:

[(1)] (I) "Company", if it is not preceded by the word "and" or a symbol for the word "and";

[(2)] (II) "Corporation";

[(3)] (III) "Incorporated"; or

~~[(4)]~~ (IV) “Limited”.

(2) IF A CORPORATION IS A BENEFIT CORPORATION, THE NAME OF THE BENEFIT CORPORATION MUST INCLUDE:

(I) THE WORDS “BENEFIT CORPORATION”;

(II) “BENEFIT CORP.”;

(III) THE WORDS “BENEFIT COMPANY”, IF NOT PRECEDED BY THE WORD “AND” OR A SYMBOL FOR THE WORD “AND”; OR

(IV) “BENEFIT CO.”, IF NOT PRECEDED BY THE WORD “AND” OR A SYMBOL FOR THE WORD “AND”.

(b) (1) The name of a limited liability company must include:

~~[(1)]~~ (I) The words “limited liability company”;

~~[(2)]~~ (II) “L.L.C.”;

~~[(3)]~~ (III) “LLC”;

~~[(4)]~~ (IV) “L.C.”; or

~~[(5)]~~ (V) “LC”.

(2) IF A LIMITED LIABILITY COMPANY IS A BENEFIT LIMITED LIABILITY COMPANY, THE NAME OF THE BENEFIT LIMITED LIABILITY COMPANY MUST INCLUDE:

(I) THE WORDS “BENEFIT LIMITED LIABILITY COMPANY”;

(II) “BENEFIT L.L.C.”;

(III) “BENEFIT LLC”;

(IV) “BENEFIT L.C.”; OR

(V) “BENEFIT LC”.

SUBTITLE 11. BENEFIT LIMITED LIABILITY COMPANIES.

4A-1101.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "BENEFIT LIMITED LIABILITY COMPANY" MEANS A MARYLAND LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT LIMITED LIABILITY COMPANY IN ACCORDANCE WITH § 4A-1103 OF THIS SUBTITLE AND HAS NOT CEASED TO BE A BENEFIT LIMITED LIABILITY COMPANY THROUGH THE OPERATION OF § 4A-1105 OF THIS SUBTITLE.

(C) "GENERAL PUBLIC BENEFIT" MEANS A MATERIAL, POSITIVE IMPACT ON SOCIETY AND THE ENVIRONMENT, AS MEASURED BY A THIRD-PARTY STANDARD, THROUGH ACTIVITIES THAT PROMOTE A COMBINATION OF SPECIFIC PUBLIC BENEFITS.

(D) "SPECIFIC PUBLIC BENEFIT" INCLUDES:

(1) PROVIDING INDIVIDUALS OR COMMUNITIES WITH BENEFICIAL PRODUCTS OR SERVICES;

(2) PROMOTING ECONOMIC OPPORTUNITY FOR INDIVIDUALS OR COMMUNITIES BEYOND THE CREATION OF JOBS IN THE NORMAL COURSE OF BUSINESS;

(3) PRESERVING THE ENVIRONMENT;

(4) IMPROVING HUMAN HEALTH;

(5) PROMOTING THE ARTS, SCIENCES, OR ADVANCEMENT OF KNOWLEDGE;

(6) INCREASING THE FLOW OF CAPITAL TO ENTITIES WITH A PUBLIC BENEFIT PURPOSE; OR

(7) THE ACCOMPLISHMENT OF ANY OTHER PARTICULAR BENEFIT FOR SOCIETY OR THE ENVIRONMENT.

(E) "THIRD-PARTY STANDARD" MEANS A STANDARD FOR DEFINING, REPORTING, AND ASSESSING BEST PRACTICES IN SOCIAL AND ENVIRONMENTAL PERFORMANCE THAT:

(1) IS DEVELOPED BY A PERSON OR ENTITY THAT IS INDEPENDENT OF THE BENEFIT LIMITED LIABILITY COMPANY; AND

(2) IS TRANSPARENT BECAUSE THE FOLLOWING INFORMATION ABOUT THE STANDARD IS PUBLICLY AVAILABLE OR ACCESSIBLE:

(i) THE FACTORS CONSIDERED WHEN MEASURING THE PERFORMANCE OF A BUSINESS;

(ii) THE RELATIVE WEIGHTINGS OF THOSE FACTORS; AND

(iii) THE IDENTITY OF THE PERSONS WHO DEVELOPED AND CONTROL CHANGES TO THE STANDARD AND THE PROCESS BY WHICH THOSE CHANGES WERE MADE.

4A-1102.

(A) THE PROVISIONS OF THIS TITLE APPLY TO BENEFIT LIMITED LIABILITY COMPANIES EXCEPT TO THE EXTENT THAT:

(1) THE CONTEXT OF A PROVISION CLEARLY REQUIRES OTHERWISE; OR

(2) A SPECIFIC PROVISION OF THIS TITLE PROVIDES OTHERWISE.

(B) THIS SUBTITLE APPLIES ONLY TO A BENEFIT LIMITED LIABILITY COMPANY.

(C) (1) THE EXISTENCE OF A PROVISION OF THIS SUBTITLE DOES NOT OF ITSELF CREATE ANY IMPLICATION THAT A CONTRARY OR DIFFERENT RULE OF LAW IS OR WOULD BE APPLICABLE TO A LIMITED LIABILITY COMPANY THAT IS NOT A BENEFIT LIMITED LIABILITY COMPANY.

(2) THIS SUBTITLE DOES NOT AFFECT ANY STATUTE OR RULE OF LAW AS IT APPLIES TO A LIMITED LIABILITY COMPANY THAT IS NOT A BENEFIT LIMITED LIABILITY COMPANY.

(D) A PROVISION OF THE ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT OF A BENEFIT LIMITED LIABILITY COMPANY MAY NOT BE INCONSISTENT WITH ANY PROVISION OF THIS SUBTITLE.

4A-1103.

(A) A LIMITED LIABILITY COMPANY MAY ELECT TO BE A BENEFIT LIMITED LIABILITY COMPANY UNDER THIS SUBTITLE BY INCLUDING IN ITS

ARTICLES OF ORGANIZATION A STATEMENT THAT THE LIMITED LIABILITY COMPANY IS A BENEFIT LIMITED LIABILITY COMPANY.

(B) THE NAME OF A DOMESTIC BENEFIT LIMITED LIABILITY COMPANY OR A FOREIGN BENEFIT LIMITED LIABILITY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THE STATE MUST COMPLY WITH TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

4A-1104.

CLEAR REFERENCE TO THE FACT THAT A LIMITED LIABILITY COMPANY IS A BENEFIT LIMITED LIABILITY COMPANY SHALL APPEAR PROMINENTLY:

(1) AT THE HEAD OF THE ARTICLES OF ORGANIZATION OR AN AMENDMENT TO THE ARTICLES OF ORGANIZATION IN WHICH THE ELECTION TO BE A BENEFIT LIMITED LIABILITY COMPANY IS MADE;

(2) AT THE HEAD OF EACH SUBSEQUENT ARTICLES OF ORGANIZATION OF THE BENEFIT LIMITED LIABILITY COMPANY; AND

(3) ON EACH CERTIFICATE REPRESENTING OUTSTANDING INTERESTS IN THE BENEFIT LIMITED LIABILITY COMPANY.

4A-1105.

A BENEFIT LIMITED LIABILITY COMPANY MAY TERMINATE ITS STATUS AS A BENEFIT LIMITED LIABILITY COMPANY AND CEASE TO BE SUBJECT TO THIS SUBTITLE BY AMENDING ITS ARTICLES OF ORGANIZATION TO DELETE THE STATEMENT REQUIRED UNDER § 4A-1103 OF THIS SUBTITLE THAT IT IS A BENEFIT LIMITED LIABILITY COMPANY.

4A-1106.

(A) (1) EACH BENEFIT LIMITED LIABILITY COMPANY SHALL HAVE THE PURPOSE OF CREATING A GENERAL PUBLIC BENEFIT.

(2) THE PURPOSE DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS IN ADDITION TO, AND MAY BE A LIMITATION ON, THE PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY UNDER § 4A-201 OF THIS TITLE.

(B) (1) IN ADDITION TO ITS PURPOSES UNDER § 4A-201 OF THIS TITLE AND SUBSECTION (A) OF THIS SECTION, THE ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT OF A BENEFIT LIMITED LIABILITY COMPANY MAY

IDENTIFY AS ONE OF THE PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY THE CREATION OF ONE OR MORE SPECIFIC PUBLIC BENEFITS.

(2) THE IDENTIFICATION IN ITS ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT OF A SPECIFIC PUBLIC BENEFIT PURPOSE UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT LIMIT THE OBLIGATION OF A BENEFIT LIMITED LIABILITY COMPANY TO CREATE A GENERAL PUBLIC BENEFIT.

4A-1107.

(A) A PERSON MANAGING THE BUSINESS AND AFFAIRS OF A BENEFIT LIMITED LIABILITY COMPANY:

(1) SHALL CONSIDER THE EFFECTS OF ANY ACTION OR DECISION NOT TO ACT ON:

(I) THE MEMBERS OF THE BENEFIT LIMITED LIABILITY COMPANY;

(II) THE EMPLOYEES AND WORKFORCE OF THE BENEFIT LIMITED LIABILITY COMPANY AND THE SUBSIDIARIES AND SUPPLIERS OF THE BENEFIT LIMITED LIABILITY COMPANY;

(III) THE INTERESTS OF CUSTOMERS AS BENEFICIARIES OF THE GENERAL OR SPECIFIC PUBLIC BENEFIT PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY;

(IV) COMMUNITY AND SOCIETAL CONSIDERATIONS, INCLUDING THOSE OF ANY COMMUNITY IN WHICH OFFICES OR FACILITIES OF THE BENEFIT LIMITED LIABILITY COMPANY OR THE SUBSIDIARIES OR SUPPLIERS OF THE BENEFIT LIMITED LIABILITY COMPANY ARE LOCATED; AND

(V) THE LOCAL AND GLOBAL ENVIRONMENT; AND

(2) MAY CONSIDER ANY OTHER PERTINENT FACTORS OR THE INTERESTS OF ANY OTHER GROUP THAT THE PERSON DETERMINES ARE APPROPRIATE TO CONSIDER.

(B) A PERSON MANAGING THE BUSINESS AND AFFAIRS OF A BENEFIT LIMITED LIABILITY COMPANY DOES NOT HAVE ANY DUTY ON ACCOUNT OF THE FACTORS OR INTERESTS SET FORTH IN THIS SECTION TO:

(1) A PERSON THAT IS A BENEFICIARY OF THE PUBLIC BENEFIT PURPOSES OF THE BENEFIT LIMITED LIABILITY COMPANY; OR

(2) A MEMBER OF THE BENEFIT LIMITED LIABILITY COMPANY.

4A-1108.

(A) A BENEFIT LIMITED LIABILITY COMPANY SHALL DELIVER TO EACH MEMBER AN ANNUAL BENEFIT REPORT INCLUDING:

(1) A DESCRIPTION OF:

(i) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY COMPANY PURSUED A GENERAL PUBLIC BENEFIT DURING THE YEAR AND THE EXTENT TO WHICH THE GENERAL PUBLIC BENEFIT WAS CREATED;

(ii) THE WAYS IN WHICH THE BENEFIT LIMITED LIABILITY COMPANY PURSUED ANY SPECIFIC PUBLIC BENEFIT THAT ITS ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT STATES IS THE PURPOSE OF THE BENEFIT LIMITED LIABILITY COMPANY TO CREATE AND THE EXTENT TO WHICH THAT SPECIFIC PUBLIC BENEFIT WAS CREATED; AND

(iii) ANY CIRCUMSTANCES THAT HAVE HINDERED THE CREATION BY THE BENEFIT LIMITED LIABILITY COMPANY OF THE PUBLIC BENEFIT; AND

(2) AN ASSESSMENT OF THE SOCIETAL AND ENVIRONMENTAL PERFORMANCE OF THE BENEFIT LIMITED LIABILITY COMPANY PREPARED IN ACCORDANCE WITH A THIRD-PARTY STANDARD APPLIED CONSISTENTLY WITH THE PRIOR YEAR'S BENEFIT REPORT OR ACCOMPANIED BY AN EXPLANATION OF THE REASONS FOR ANY INCONSISTENT APPLICATION.

(B) THE BENEFIT REPORT SHALL BE DELIVERED TO EACH MEMBER WITHIN 120 DAYS FOLLOWING THE END OF EACH FISCAL YEAR OF THE BENEFIT LIMITED LIABILITY COMPANY.

(C) (1) A BENEFIT LIMITED LIABILITY COMPANY SHALL POST ITS MOST RECENT BENEFIT REPORT ON THE PUBLIC PORTION OF ITS WEB SITE, IF ANY.

(2) IF A BENEFIT LIMITED LIABILITY COMPANY DOES NOT HAVE A PUBLIC WEB SITE, THE BENEFIT LIMITED LIABILITY COMPANY SHALL PROVIDE A COPY OF ITS MOST RECENT BENEFIT REPORT ON DEMAND AND WITHOUT CHARGE TO ANY PERSON WHO REQUESTS A COPY.

5-6C-03.

(a) A corporation may elect to be a benefit corporation under this subtitle by amending or including in the charter of the corporation a statement that the corporation is a benefit corporation.

(b) An amendment described in subsection (a) of this section shall be approved in accordance with Title 2, Subtitle 6 of this article.

(C) THE NAME OF A DOMESTIC BENEFIT CORPORATION OR A FOREIGN BENEFIT CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE STATE MUST COMPLY WITH TITLE 1, SUBTITLE 5 OF THIS ARTICLE.

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2011.

Approved by the Governor, May 19, 2011.