

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

February 16, 2015

3:16 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Shelley Hughes, Vice Chair
Representative Jim Colver
Representative Gabrielle LeDoux
Representative Cathy Tilton
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 49

"An Act relating to corporations, including benefit corporations, and other entities; and providing for an effective date."

- MOVED CSHB 49(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 49

SHORT TITLE: BENEFIT CORPORATIONS

SPONSOR(S): REPRESENTATIVE(S) SEATON

01/21/15	(H)	PREFILE RELEASED 1/16/15
01/21/15	(H)	READ THE FIRST TIME - REFERRALS
01/21/15	(H)	L&C
02/13/15	(H)	L&C AT 3:15 PM BARNES 124
02/13/15	(H)	Heard & Held
02/13/15	(H)	MINUTE(L&C)
02/16/15	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE PAUL SEATON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 49.

ACTION NARRATIVE

[3:16:33 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:16 p.m. Representatives Colver, Tilton, Kito, Josephson, Hughes, and Olson were present at the call to order.

HB 49-BENEFIT CORPORATIONS

[3:16:43 PM](#)

CHAIR OLSON announced that the only order of business would be HOUSE BILL NO. 49, "An Act relating to corporations, including benefit corporations, and other entities; and providing for an effective date."

[3:17:31 PM](#)

REPRESENTATIVE PAUL SEATON, Alaska State Legislature, as prime sponsor, summarized HB 49, stating this bill will allow the state to form a new type of "for profit" corporation called the benefit corporation. The main difference between the proposed benefit corporation [also known as a "B" corporation] and the current "C" corporations is that in addition to making profits for its shareholders, the corporation can also define and promote a general or specific public benefit. These public benefits are required to be listed on the corporate paperwork so investors, managers, and employees will be aware of the purpose of the corporation besides making profits for its shareholders.

[3:18:52 PM](#)

REPRESENTATIVE HUGHES moved to adopt Amendment 1, labeled 29-LS0002\H.1, Bannister, 2/12/15, which read as follows:

Page 2, lines 9 - 10:

Delete "delivering its benefit report to the department under AS 10.60.570 or in paying the filing fee for the benefit report"

Insert "including its benefit report in its biennial report under AS 10.60.570 or in paying the fee established under AS 10.60.570 for including the benefit report in the biennial report"

Page 10, line 28:

Delete "In addition to"

Insert "As part of"

Page 12, lines 26 - 28:

Delete "Concurrently with the filing of its biennial report under AS 10.06.805, a benefit corporation shall deliver a copy of the benefit report to the department for filing by the department"

Insert "A benefit corporation shall include its benefit report in the biennial report that it files under AS 10.06.805"

Page 12, lines 30 - 31:

Delete "delivered to the department"

Insert "included in the biennial report"

Page 13, line 1:

Delete "filing a benefit report"

Insert "including the benefit report in the biennial report of the benefit corporation"

Page 13, lines 2 - 4:

Delete "delivering the benefit report to the department under (a) of this section or in paying the filing fee for the benefit report"

Insert "including its benefit report in its biennial report under AS 10.60.570 or in paying the fee established under this section for including the benefit report in the biennial report"

Page 13, following line 5:

Insert a new subsection to read:

"(c) A benefit corporation may submit its benefit report to the department electronically. The department may file in paper form, rather than electronic form, the benefit report portion of a biennial report filed with the department."

CHAIR OLSON objected for the purpose of discussion.

[3:19:20 PM](#)

REPRESENTATIVE SEATON explained Amendment 1 would add language to page 2, lines 9-10 to clarify that the benefit report will be included in the corporation's biennial report filed with the

department. He stated that this report can be submitted electronically instead of requiring benefit corporations to submit a second benefit report or a hard copy report to the agency. This provision will also negate the need for the department to make changes to its database or website. Small technical changes are also made to several places in the bill, he added.

[3:21:04 PM](#)

CHAIR OLSON removed his objection. There being no further objection, Amendment 1 was adopted.

[3:21:26 PM](#)

CHAIR OLSON, after first determining no one wished to testify, closed public testimony on HB 49.

[3:21:37 PM](#)

REPRESENTATIVE HUGHES moved to report HB 49, as amended, out of committee with individual recommendations and the accompanying fiscal note. There being no objection, CSHB 49(L&C) was reported from the House Labor and Commerce Standing Committee.

[3:22:15 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:22 p.m.