



NEW YORK STATE SENATOR

Daniel L. Squadron

## Squadron Bill to Bring Benefit Corps to New York Unanimously Passes Senate

DANIEL L. SQUADRON June 19, 2011

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### ***Senator Squadron: New Type of Corporation Will Unlock Billions in Investments for New York***

Bill Would Make New York Largest State With B-Corps, Creating 'Silicon Valley' of Mission-Driven Companies

ALBANY -- State Senator Daniel Squadron announced today that the Senate unanimously voted to bring benefit corporations to New York, making it the largest state to pass such legislation. If signed into law, B-Corps would create a new industry of corporations with a "double bottom line" of profit and socially-responsible practices – unlocking billions in potential investments in companies that pursue a positive material impact on society and the environment.

"Benefit corporations will empower entrepreneurs and investors to do well while doing good," said Senator Squadron. "B-Corps open the space for businesses that see the pursuit of the public good inextricably linked with their mission and success. By offering this opportunity to entrepreneurs and investors, we'll bring new businesses to New York, new investors into the market, and a more socially-minded approach to our economy."

Current law requires that companies be guided exclusively by the maximization of profit. B-Corps would provide legal protection to business leaders who pursue the public interest while also operating profit-making businesses, rather than just simply maximizing shareholder value.

B-Corps' overall social and environmental impact will be assessed against a third party standard, ensuring an equitable and effective marketplace.

A May 2010 [Hope Consulting study](#) of high net worth individuals in the US found over \$120 billion in potential impact investments in mission-driven companies that were doing good while making money. B-Corps would allow New York to harness these potential investments and create a "silicon valley" of companies that serve the public good.

Last week the legislation (S79-A [Squadron] / A4692-A [Silver]) also unanimously passed the Assembly, where it is sponsored by Speaker Sheldon Silver. It now awaits the Governor's signature. Once signed, New York would become only the fifth state to allow B-Corps, following Maryland, Vermont, New Jersey, and Virginia.

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