



November 13, 2018

The Honorable Kevin Bacon
Chairman, Senate Judiciary Committee
Ohio Senate
1 Capitol Square
Columbus, OH 43215

Dear Chairman Bacon,

On behalf of the Ohio Chamber of Commerce, I would like to express our support for Senate Bill 205, legislation that would expand the choice of business forms available in Ohio. Specifically, SB 205 would permit a corporation to be formed as, or an existing corporation to become, a “benefit corporation” – a corporation that is able to explicitly focus its mission on “beneficial purposes,” such as community or societal issues.

Under existing Ohio law, a corporation may be formed “for any purposes or combination of purposes for which individuals lawfully may associate themselves.” However, by becoming a benefit corporation, entrepreneurs and investors have an additional choice when determining which corporate form is most suitable to achieve their objectives. 34 states have already passed laws permitting benefit corporations, and SB 205 would allow Ohio to attract entrepreneurs and startups that want this flexibility.

We all want to see more companies locate in Ohio, and SB 205 would not only make Ohio a more competitive place for new businesses, but it would also facilitate access to new sources of investment capital that are directed at benefit corporations. Some estimates suggest that the value of the current social impact investing market in the U.S. is nearly \$9 trillion. By authorizing the creation of benefit corporations in Ohio, SB 205 provides an additional tool with which companies can attract more of these investment dollars to Ohio.

Further, as Ohio strategizes how to attract and retain Millennial talent in our workforce, SB 205 could help. The January 2014 “Deloitte Millennial Study” revealed that Millennials want to work for organizations that, among other things, “make a positive contribution to society.” Certainly many, if not most, companies make a positive contribution to society. For benefit corporations, however, it’s literally a legal obligation.

The Ohio Chamber believes SB 205 would help make Ohio more business-friendly and give Ohio businesses the same innovative flexibility and choice of business form now available in 34 other

states. Authorizing this new type of business entity would in no way detract from the status of traditional corporations nor would it diminish their considerable efforts to tackle community or societal issues.

For these reasons, the Ohio Chamber respectfully asks you and the members of the Senate Judiciary Committee to favorably report SB 205. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Keith Lake". The signature is written in a cursive, slightly slanted style.

Keith Lake
Vice President, Government Affairs

cc: Members of the Senate Judiciary Committee