

# Commerce

## H.B. 312

**Primary Sponsor:** Rep. Powell

**Effective date:** March 31, 2021; appropriations effective December 29, 2020

### **Intrastate equity crowdfunding**

- Permits intrastate equity crowdfunding, to be known as “OhioInvests offerings,” under certain circumstances.
- Specifies eligibility requirements for persons conducting an OhioInvests offering.
- Prohibits an unaccredited investor from purchasing more than \$10,000 in securities in a 12-month period in connection with OhioInvests offerings.
- Requires that the offerings be made exclusively through an intermediary consisting of a website operated by a “portal operator.”
- Requires portal operators to provide certain disclosures to investors.
- Requires portal operators to maintain and make available to the Division of Securities specified records.
- Subjects portal operators to regulation and enforcement, including the same regulation and enforcement by the Division that exists for licensees in Ohio that hold individual dealer, salesperson, investment advisor, or investment advisor representative licenses.
- Authorizes the Division to order payment of administrative penalties for Securities Law violations related to OhioInvests offerings, and purchasers of the securities to bring individual or class actions to recover specified penalties for those violations.
- Expressly authorizes port authorities and community improvement corporations to act as portal operators for the offering of securities through such crowdfunding.

### **Appropriations**

- Provides \$105.2 million in supplemental FY 2021 appropriations to the Development Services Agency (DSA) for additional loans under existing DSA loan programs that support capital investment projects undertaken by businesses.
- Shifts from FY 2020 to FY 2021 a \$5.2 million earmark for a loan to the Ohio State University to develop and evaluate a nonopioid, nonaddictive pharmaceutical treatment.

## **S.B. 21**

**Primary Sponsor:** Sen. Dolan

**Effective date:** March 24, 2021

### **Benefit corporations**

- Allows certain corporations to become benefit corporations – corporations whose articles of incorporation include a purpose to have a bona fide positive effect, or to reduce one or more bona fide negative effects, of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific, or technological nature for the benefit of persons, entities, communities, or interests aside from shareholders.
- Requires the beneficial purpose to be expressly stated in the articles of incorporation.
- Prohibits a corporation from using “benefit” or “b-” as a prefix to the corporate designation in its name unless the corporation is a benefit corporation.
- Allows a benefit corporation’s articles, regulations, or agreement to require that a report detailing the corporation’s activities toward its beneficial purposes be presented to shareholders at the corporation’s annual meeting, and permits shareholders to request a copy of that report.
- Specifies that a benefit corporation and its directors owe no duty to a beneficiary of the corporation’s beneficial purpose solely because of that person’s status as a beneficiary.
- Requires a benefit corporation director, in determining what is in the corporation’s best interests, to consider any beneficial purpose and related provisions set forth in the articles and any priority among the purposes set forth in the articles.
- Allows a benefit corporation, its directors, certain shareholders, or certain other persons to undertake legal action to require the corporation to pursue its beneficial purposes when the corporation fails to do so.

### **Corporations generally**

- Allows a corporation to prioritize among any of the purposes listed in its articles.
- Specifies that a corporation that is not a benefit corporation is not required to operate exclusively for profit or distribution of net earnings in all instances.

## **S.B. 276**

**Primary Sponsors:** Sens. Roegner and Manning

**Effective date:** April 12, 2021; Ohio Revised Limited Liability Company Act effective January 1, 2022

### **Ohio Revised Limited Liability Company Act**

- Creates the Ohio Revised Limited Liability Company Act.
- Replaces the existing Ohio Limited Liability Company Act effective January 1, 2022, for all limited liability companies (LLCs) formed or registered to do business in Ohio on or after that date.
- Designates two situations in which a series LLC will be considered to have been formed to avoid paying the commercial activity tax (CAT), and requires such a series to file and pay the tax as a single combined taxpayer.

### **Unclaimed Funds Law**

- Authorizes the Ohio Access to Justice Foundation to hold attorney unclaimed funds.
- When requested by the Department of Commerce, requires holders of attorney unclaimed funds to send a copy of the unclaimed funds report to the Foundation.
- Requires holders of attorney unclaimed funds to send 100% of the unclaimed funds to the Director of Commerce, which can then be claimed for holding purposes by the Foundation.
- Restricts the funds held by the Foundation to be used to provide (1) financial assistance to legal aid societies, (2) to enhance or improve access to justice, or (3) to operate the Foundation.
- Requires that, if a claim is made by the owner of attorney unclaimed funds held by the Foundation, the Foundation must reimburse the Unclaimed Funds Trust Fund the amount claimed, with interest.
- Requires that the Director or the Director's designee serve on the board of directors of the Ohio Access to Justice Foundation which holds attorney unclaimed funds.

