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Testimony of Rebecca L. Paolino

IN SUPPORT OF H.B. 6356 AN ACT CONCERNING BENEFIT CORPORATIONS AND
ENCOURAGING SOCIAL ENTERPRISE

Before the Joint Committee on Commerce

February 28, 2013

Mr. Chairman and members of the committee,

My name is Rebecca L. Paolino and I reside in Farmington and work in Hartford, and I would like to give testimony in regards to my support for H.B. 6356, An Act Concerning Benefit Corporations and Encouraging Social Enterprises.

I am an attorney, practicing law in Hartford and I counsel budding social enterprise businesses which want to incorporate in the State of Connecticut. Having a separate corporate entity would be invaluable to my clients who, at this point in time, are forced to reach out to other states to have their businesses recognized. Social enterprise businesses are not a fad or a passing whim – they are globally recognized as that hybrid between for-profit and non-profit. The legacy protection clause, particularly designated in HB 6356, is something that my clients seek to opt into to make sure the spirit of the business is maintained and preserved.

I have volunteered with reSET Social Enterprise Trust for the last few years and have seen the tremendous passion put into nurturing new business growth in Connecticut. In these challenging economic times, having legal structures in place for viable businesses is crucial. If we do not have proper structures for social enterprise in Connecticut, businesses will seek it elsewhere.

I support this legislation because it will not only help individual social entrepreneurs, but it will also help spark a new wave of innovation within our state's economy. The addition of legally recognized Benefit Corporations in Connecticut will drive economic growth by bringing new jobs to Connecticut and making our state an attractive home for forward-thinking companies. It will also entice our young people to stay in the state after they finish their education, as they will be enticed by working at said forward-thinking companies.

H.B. 6356 will help social entrepreneurs by reducing the amount of time and resources needed to launch new community-minded business ventures. It will allow them to address community problems without relying on public funds or philanthropy, and raise the amount of awareness and attention paid to some of our state's most complex community-based challenges. The legislation will also help to formalize and galvanize the community of business owners committed to making our communities safer and healthier places to live for all of our citizens.

H.B. 6356 provides social entrepreneurs with a simple, standardized way to formalize their commitment to creating public good. It also provides the general public with a clear mechanism for identifying and verifying a company's commitment to its stated social mission, as well as the true impact of those efforts. The legislation will provide a level of mission protection and transparency that is unprecedented among other states that have already passed benefit corporation legislation.

The legislation's legacy preservation provision allows a company to protect its commitment to the community regardless of acquisition, sale, or other changes in leadership. It is designed to protect a company's assets and its mission, and ensure that it will continue to create a social impact.

By passing H.B. 6356, Connecticut will provide our state's business leaders with a legal entity that allows them to dedicate their companies to the creation of positive impact on their communities. I strongly urge this committee and the legislature to support H.B. 6356. In doing so, you will encourage social entrepreneurs to help make Connecticut a place where business supports thriving communities and jobs provide our citizens with a means of making a living as well as an opportunity to develop a meaningful connection to the place they call home.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca L. Paolino".

Rebecca L. Paolino, Esq.