

2021 -- H 5905

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO CORPORATIONS - ASSOCIATIONS, AND PARTNERSHIPS - GENERAL PROVISIONS

Introduced By: Representatives Fenton-Fung, Casimiro, Shallcross Smith, Serpa, Fellela, and Tanzi

Date Introduced: February 24, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 7-1 of the General Laws entitled "Corporations - General Provisions"

2 is hereby amended by adding thereto the following section:

3 **7-1-27. Female directors.**

4 (a) No later than January 1, 2022, a publicly held domestic or foreign corporation whose
5 principal executive offices, according to the corporation's Securities and Exchange Commission
6 (SEC) 10-K form, are located in Rhode Island, shall have a minimum of one female director on its
7 board. A corporation may increase the number of directors on its board to comply with this section.

8 (b) No later than January 1, 2023, a publicly held domestic or foreign corporation whose
9 principal executive offices, according to the corporation's SEC 10-K form, are located in Rhode
10 Island shall comply with the following:

11 (1) If its number of directors is six (6) or more, the corporation shall have a minimum of
12 three (3) female directors.

13 (2) If its number of directors is five (5), the corporation shall have a minimum of two (2)
14 female directors.

15 (3) If its number of directors is four (4) or fewer, the corporation shall have a minimum of
16 one female director.

17 (c) No later than July 1, 2022, the secretary of state shall publish a report on its website
18 documenting the number of domestic and foreign corporations whose principal executive offices,

1 according to the corporation's SEC 10-K form, are located in Rhode Island and who have at least
2 one female director.

3 (d) No later than March 1, 2023, and annually thereafter, the secretary of state shall publish
4 a report on its website regarding, at a minimum, all of the following:

5 (1) The number of corporations subject to this section that were in compliance with the
6 requirements of this section during at least one point during the preceding calendar year.

7 (2) The number of publicly held corporations that moved their United States headquarters
8 to Rhode Island from another state or out of Rhode Island into another state during the preceding
9 calendar year.

10 (3) The number of publicly held corporations that were subject to this section during the
11 preceding year, but are no longer publicly traded.

12 (e)(1) The secretary of state may adopt regulations to implement the provisions of this
13 section. The secretary of state may impose fines for violations of this section as follows:

14 (A) For failure to timely file board member information with the secretary of state pursuant
15 to a regulation adopted pursuant to this section, the amount of one hundred thousand dollars
16 (\$100,000).

17 (B) For a first violation, the amount of one hundred thousand dollars (\$100,000).

18 (C) For a second or subsequent violation, the amount of three hundred thousand dollars
19 (\$300,000).

20 (2) For the purposes of this section, each director seat required by this section to be held
21 by a female, which is not held by a female during at least a portion of a calendar year, shall count
22 as a violation.

23 (3) For purposes of this section, a female director having held a seat for at least a portion
24 of the year shall not be a violation.

25 (4) Fines collected pursuant to this section shall be available, upon appropriation by the
26 general assembly, for use by the secretary of state to offset the cost of administering this section.

27 (f) For purposes of this section, the following definitions apply:

28 (1) "Female" means an individual who self-identifies her gender as a woman, without
29 regard to the individual's designated sex at birth.

30 (2) "Publicly held corporation" means a domestic or foreign corporation with outstanding
31 shares listed on a major United States Stock Exchange.

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO CORPORATIONS - ASSOCIATIONS, AND PARTNERSHIPS - GENERAL
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- 1 This act would require publicly held corporations to be represented by women on their
- 2 boards of directors. Fines would be imposed for non-compliance.
- 3 This act would take effect upon passage.

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