

# MAINE STATE LEGISLATURE

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# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1200

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H.P. 878

House of Representatives, March 22, 2021

### **An Act To Bring Gender Parity to Corporate Boards**

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Received by the Clerk of the House on March 18, 2021. Referred to the Committee on Judiciary pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative RECKITT of South Portland.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 13-C MRSA §803, sub-§4** is enacted to read:

3 **4. Corporate board gender parity.** A publicly held corporation subject to this Act  
4 shall comply with the board of directors gender parity requirements of this subsection.

5 A. No later than the end of the last day of business of the 2022 calendar year, a publicly  
6 held corporation subject to this Act shall have a minimum of one female director on its  
7 board of directors. A corporation may increase the number of directors on its board to  
8 comply with this subsection.

9 B. No later than the end of the last day of business of the 2024 calendar year, a publicly  
10 held corporation subject to this Act shall comply with this paragraph.

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

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

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

17 C. The Secretary of State shall publish the following reports on its publicly accessible  
18 website.

19 (1) No later than July 1, 2022, the Secretary of State shall publish a report  
20 documenting the number of corporations subject to this Act that have at least one  
21 female director.

22 (2) No later than March 1, 2023 and annually thereafter, the Secretary of State  
23 shall publish a report containing, at a minimum, the following:

24 (a) The number of publicly held corporations subject to this Act; and

25 (b) The number of publicly held corporations subject to this Act that were in  
26 compliance with the requirements of paragraph B at at least one point during  
27 the preceding calendar year.

28 D. The Secretary of State shall adopt rules to implement this subsection. Rules adopted  
29 under this paragraph are routine technical rules as defined by Title 5, chapter 375,  
30 subchapter 2-A.

31 E. The Secretary of State may impose fines for violations of this subsection as follows:

32 (1) For failure to file board member information with the Secretary of State  
33 pursuant to a rule adopted pursuant to this subsection, \$100,000;

34 (2) For a first violation, \$100,000; and

35 (3) For a 2nd or subsequent violation, \$300,000.

36 For the purposes of this paragraph, each director seat required by this subsection to be  
37 held by a female that is not held by a female during at least a portion of a calendar year  
38 counts as a violation.

1 Fines imposed and collected by the Secretary of State under this paragraph must be  
2 made available, upon appropriation by the Legislature, for use by the Secretary of State  
3 to offset the costs of administering this subsection.

4 F. For purposes of this subsection, the following terms have the following meanings.

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

7 (2) "Publicly held corporation" means a corporation with outstanding shares listed  
8 on a major United States stock exchange.

9 **SUMMARY**

10 This bill requires the board of directors of a publicly held corporation subject to the  
11 Maine Business Corporations Act to include at least one female director. The number of  
12 female directors required is based on the number of directors on the board. The Secretary  
13 of State is required to publish reports about boards of directors and may impose fines on  
14 corporations for failing to report information and for failing to have on their boards the  
15 minimum number of female directors.