

STATE OF NEW YORK

8179

2017-2018 Regular Sessions

IN ASSEMBLY

June 1, 2017

Introduced by M. of A. RYAN -- read once and referred to the Committee on Small Business

AN ACT to amend the economic development law, in relation to establishing an advisory panel on employee-owned enterprises; and providing for the repeal of such provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The economic development law is amended by adding a new
2 section 139 to read as follows:

3 § 139. Advisory panel on employee-owned enterprises. 1. Definition.
4 As used in this section, the term "employee-owned enterprise" shall mean
5 a business in which the employees control the majority of the voting
6 stock, or if the business is held in a trust which controls the majority
7 of the voting stock, the trustees are elected by the employees. The term
8 "employee-owned enterprise" shall also refer to a worker cooperative as
9 defined in section eighty-one of the cooperative corporations law.

10 2. Establishment of advisory panel. An advisory panel is hereby
11 created within the department for the purpose of reviewing state laws
12 and programs in order to report and make recommendations on how best to
13 support existing employee-owned enterprises, promoting the formation of
14 new employee-owned enterprises, and promoting the continued growth of
15 such businesses in the state.

16 3. Composition of advisory panel. (a) The advisory panel shall consist
17 of twelve members, including:

18 (i) the commissioner, or his or her designee, who shall be designated
19 as chair of the advisory panel;

20 (ii) the commissioner of labor, or his or her designee;

21 (iii) the commissioner of tax and finance, or his or her designee; and

22 (iv) nine members to be appointed as follows: three shall be appointed
23 by the governor, two shall be appointed by the speaker of the assembly,
24 two shall be appointed by the temporary president of the senate, one

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 shall be appointed by the minority leader of the assembly, and one shall
2 be appointed by the minority leader of the senate. Such appointed
3 members shall represent entities and organizations with expertise
4 related to employee-owned enterprises or business development, partic-
5 ularly those with an emphasis on small businesses, minority and women-
6 owned businesses, and veteran-owned businesses, including, but not
7 limited to:

8 (1) employee-owned enterprises;

9 (2) employee-owned enterprise advocacy, service, support, or develop-
10 ment organizations;

11 (3) business development organizations;

12 (4) New York state college and university programs with expertise in
13 business development;

14 (5) commercial lending organizations focusing on access to capital and
15 community development; and

16 (6) labor organizations.

17 (b) Each member of the panel shall serve at the pleasure of the
18 appointing authority, and any vacancy on the panel shall be filled in
19 the same manner as the original appointment. Such panel members shall
20 serve without compensation except that such members shall be entitled to
21 reimbursement for actual and necessary expenses incurred in such
22 service.

23 4. Powers and duties of the advisory panel. The advisory panel shall:

24 (a) identify and recommend strategies to promote the creation and
25 development of new employee-owned enterprises in order to create new
26 jobs and retain existing jobs within the state;

27 (b) identify and recommend strategies to facilitate the creation of
28 employee-owned enterprises that promote the continuation of existing
29 businesses either as part of a pre-existing business succession of
30 ownership plan or as an alternative option if a business is being
31 offered for sale or transfer by the current owner or the heirs or estate
32 of a deceased owner;

33 (c) evaluate the effectiveness of current state and local training and
34 assistance programs designed to provide support to employee-owned enter-
35 prises, and make recommendations as to how to more effectively utilize
36 these programs and resources to support such enterprises;

37 (d) examine and identify state and local laws and regulations relating
38 to the governance and administration of employee-owned enterprises and
39 their effect on the creation, retention, and growth of such enterprises;

40 (e) examine and identify other successful federal, state and local
41 programs designed to provide support to employee-owned enterprises,
42 including any programs currently underutilized by individuals seeking to
43 establish an employee-owned enterprise in the state;

44 (f) evaluate the ability of new and existing employee-owned enter-
45 prises to acquire the capital necessary to form, expand, and develop
46 their operations;

47 (g) evaluate the role of immigrants and new Americans, minorities,
48 women, and veterans in the formation of employee-owned enterprises;

49 (h) evaluate the potential for employee-owned enterprises to assist in
50 the revitalization and redevelopment of economically disadvantaged
51 communities; and

52 (i) recommend a set of best practices and policies as a guide for
53 individuals to use when forming an employee-owned enterprise, and make
54 such guide publicly available on the department's website.

55 5. Reporting. The advisory panel shall issue a report no later than
56 September thirtieth, two thousand eighteen outlining the findings and

recommendations of the panel. The report shall be delivered to the governor, the speaker of the assembly, the temporary president of the senate, the minority leader of the assembly, the minority leader of the senate, the chair of the assembly committee on ways and means, the chair of the senate committee on finance, the chair of the assembly committee on economic development, the chair of the assembly committee on small business, the chair of the senate committee on commerce, economic development, and small business, the chair of the assembly committee on labor, and the chair of the senate committee on labor.

§ 2. This act shall take effect immediately and shall expire October 1, 2018 when upon such date the provisions of this act shall be deemed repealed.