

STATE OF NEW YORK

3460

2017-2018 Regular Sessions

IN ASSEMBLY

January 27, 2017

Introduced by M. of A. LUPARDO -- read once and referred to the Committee on Higher Education

AN ACT to amend the business corporation law, in relation to allowing expanded ownership in design professional corporations by employee stock ownership plans and non-licensed employees

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

1 Section 1. Paragraphs (i) and (ii) of subdivision (b-1) of section
2 1503 of the business corporation law, as added by chapter 550 of the
3 laws of 2011, are amended to read as follows:

4 (i) greater than seventy-five percent of the outstanding shares of
5 stock of the corporation are owned by design professionals and in the
6 case of an ESOP, greater than seventy-five percent of the plan's voting
7 trustees and greater than seventy-five percent of the plan's committee
8 members are design professionals,

9 (ii) an ESOP, either in part or in its entirety, shall not constitute
10 part of the greater than seventy-five percent owned by design profes-
11 sionals unless greater than seventy-five percent of the plan's voting
12 trustees and greater than seventy-five percent of the plan's committee
13 members are design professionals,

14 § 2. Paragraphs (i) and (ii) of subdivision (b) of section 1507 of the
15 business corporation law, as added by chapter 550 of the laws of 2011,
16 are amended to read as follows:

17 (i) greater than seventy-five percent of the outstanding shares of
18 stock of the corporation are owned by design professionals and in the
19 case of an ESOP, greater than seventy-five percent of the plan's voting
20 trustees and greater than seventy-five percent of the plan's committee
21 members are design professionals,

22 (ii) an ESOP, either in part or in its entirety, shall not constitute
23 part of the greater than seventy-five percent owned by design profes-
24 sionals unless greater than seventy-five percent of the plan's voting

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

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1 trustees and greater than seventy-five percent of the plan's committee
2 members are design professionals,

3 § 3. Paragraph (i) of subdivision (b) of section 1514 of the business
4 corporation law, as added by chapter 550 of the laws of 2011, is amended
5 to read as follows:

6 (i) greater than seventy-five percent of the outstanding shares of
7 stock of the corporation are and were owned by design professionals and
8 in the case of an ESOP, greater than seventy-five percent of the plan's
9 voting trustees and greater than seventy-five percent of the plan's
10 committee members are design professionals,

11 § 4. This act shall take effect immediately.