

STATE OF NEW YORK

3771--A

2017-2018 Regular Sessions

IN SENATE

January 26, 2017

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the business corporation law, in relation to providing for 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. Subparagraphs (i) and (ii) of paragraph (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 an ESOP
6 (or ESOPs) with 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 being 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. Subparagraphs (i) and (ii) of paragraph (b) of section 1507 of
15 the business corporation law, as added by chapter 550 of the laws of
16 2011, 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 an ESOP
19 (or ESOPs) with 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 being design professionals,

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

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1 (ii) an ESOP, either in part or in its entirety, shall not constitute
2 part of the greater than seventy-five percent owned by design profes-
3 sionals unless greater than seventy-five percent of the plan's voting
4 trustees and greater than seventy-five percent of the plan's committee
5 members are design professionals,

6 § 3. Subparagraph (i) of paragraph (b) of section 1514 of the business
7 corporation law, as added by chapter 550 of the laws of 2011, is amended
8 to read as follows:

9 (i) greater than seventy-five percent of the outstanding shares of
10 stock of the corporation are and were owned by design professionals and
11 an ESOP (or ESOPs) with greater than seventy-five percent of the plan's
12 voting trustees and greater than seventy-five percent of the plan's
13 committee members being design professionals,

14 § 4. This act shall take effect immediately.