

# STATE OF NEW YORK

5349--A

2017-2018 Regular Sessions

## IN SENATE

March 22, 2017

Introduced by Sens. ALCANTARA, HAMILTON, PERALTA, SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Education -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the economic development law, in relation to establishing an advisory panel on employee-owned enterprises within the division of small business services; 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

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

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(iv) nine members to be appointed as follows: three shall be appointed by the governor, two shall be appointed by the speaker of the assembly, two shall be appointed by the temporary president of the senate, one shall be appointed by the minority leader of the assembly, and one shall be appointed by the minority leader of the senate. Such appointed members shall represent entities and organizations with expertise related to employee-owned enterprises or business development, particularly those with an emphasis on small businesses, minority and women-owned businesses, and veteran-owned businesses, including, but not limited to:

(1) employee-owned enterprises;

(2) employee-owned enterprise advocacy, service, support, or development organizations;

(3) business development organizations;

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

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

(6) labor organizations.

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

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

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

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

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

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

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

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

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

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

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

4 5. Reporting. The advisory panel shall issue a report no later than  
5 September thirtieth, two thousand eighteen outlining the findings and  
6 recommendations of the panel. The report shall be delivered to the  
7 governor, the speaker of the assembly, the temporary president of the  
8 senate, the minority leader of the assembly, the minority leader of the  
9 senate, the chair of the assembly committee on ways and means, the chair  
10 of the senate committee on finance, the chair of the assembly committee  
11 on economic development, the chair of the assembly committee on small  
12 business, the chair of the senate committee on commerce, economic devel-  
13 opment, and small business, the chair of the assembly committee on  
14 labor, and the chair of the senate committee on labor.

15 § 2. This act shall take effect immediately and shall expire October  
16 1, 2018 when upon such date the provisions of this act shall be deemed  
17 repealed.