

# STATE OF NEW YORK

2709

2019-2020 Regular Sessions

## IN SENATE

January 29, 2019

Introduced by Sen. KENNEDY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

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,

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-

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

LBD03292-01-9

sionals unless greater than seventy-five percent of the plan's voting trustees and greater than seventy-five percent of the plan's committee members are design professionals,

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

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

§ 4. This act shall take effect immediately.