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:

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

(i) greater than seventy-five percent of the outstanding shares of stock of the corporation are 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**,

(ii) an ESOP, either in part or in its entirety, shall not constitute part of the greater than seventy-five percent owned by design professionals **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**,

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

(i) greater than seventy-five percent of the outstanding shares of stock of the corporation are 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**,

(ii) an ESOP, either in part or in its entirety, shall not constitute 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.

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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.