
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1421 Session of
2014

INTRODUCED BY GREENLEAF, SOLOBAY, RAFFERTY, ERICKSON AND COSTA,
JUNE 13, 2014

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
JUNE 13, 2014

AN ACT

1 Establishing an employee ownership program to promote business
2 retention and growth in this Commonwealth; and imposing
3 duties on the Department of Community and Economic
4 Development.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Employee
9 Stock Ownership Program Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Program." The Employee Ownership Program authorized by this
17 act.

18 Section 3. Employee ownership program.

1 (a) Department duties.--The department may establish and
2 administer a program to encourage employee stock ownership plans
3 and other forms of employee ownership in existing and start-up
4 businesses.

5 (b) Memoranda of understanding.--The department may enter
6 into a memoranda of understanding with one or more organizations
7 to implement and administer the program. The memorandum shall
8 provide that no such organization may charge the Commonwealth
9 for any costs incurred in the implementation or administration
10 of the program. The organizations shall include, but not be
11 limited to, economic development corporations, regional economic
12 development corporations and other nonprofit organizations with
13 expertise in employee ownership plans.

14 (c) Nature of program.--The program shall:

15 (1) Provide education and outreach to inform employees,
16 employers and entrepreneurs about the possibility and benefit
17 of employee ownership, business ownership succession planning
18 and employee participation in business decision making,
19 including providing information about financial education,
20 employee teams, open-book management principles that provide
21 employees with financial information regarding business
22 performance and other tools that enable employees to share
23 ideas and information about how their businesses can succeed.

24 (2) Provide technical assistance to assist efforts to
25 form and transition to employee-owned businesses, to enable
26 employers and employees to explore and assess the feasibility
27 of transferring full or partial ownership to employees and to
28 encourage employees and employers to start new employee-owned
29 businesses.

30 (3) Train employees and employers with respect to

1 methods of employee participation in such open-book
2 management, work teams, committees and other approaches for
3 seeking greater employee input.

4 (4) Develop partnerships with the State System of Higher
5 Education, State-related universities and a business and
6 industry trade association in order to host educational
7 events to promote awareness and understanding of employee
8 ownership of businesses.

9 (d) Report.--Within one year of the program being
10 established, and annually thereafter, the department shall
11 provide a report to the Community, Economic and Recreational
12 Development Committee of the Senate and the Commerce Committee
13 of the House of Representatives regarding the program.

14 Section 4. Effective date.

15 This act shall take effect immediately.