

AN ACT

To enact sections 122.13, 122.131, 122.132, 122.133, 122.134, 122.135, and 122.136 of the Revised Code to reestablish the recently sunsetted Employee Ownership Assistance Program administered by the Department of Development, to repeal sections 122.13, 122.131, 122.132, 122.133, 122.134, 122.135, and 122.136 of the Revised Code effective December 31, 2004, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 122.13, 122.131, 122.132, 122.133, 122.134, 122.135, and 122.136 of the Revised Code be enacted to read as follows:

Sec. 122.13. As used in sections 122.13 to 122.136 of the Revised Code:

(A) "Closing" means the permanent cessation of operations at an establishment that employs at least twenty-five persons.

(B) "Employee-owned corporation" means a business operation that is controlled by a board of directors that is selected by the shareholders on a basis of one vote per shareholder and in which the management rights are represented by voting stock that is owned only by employees of the operation, a nonprofit community development corporation, or an employee-owned stock ownership plan any portion of which is owned by not less than twenty per cent of those employees. An "employee-owned corporation" also includes a business operation in which not less than fifty per cent of each class of voting security is owned by an employee stock ownership trust established under an employee stock ownership plan as defined in 26 U.S.C.A. 4975(e)(7), if the employee stock ownership plan requires pass-through of voting rights on voting securities as the securities are allocated to individual participating employee accounts.

(C) "Establishment" means any factory, plant, office, or other facility, but does not include a construction site or other workplace that was intended to be a temporary workplace.

(D) "Relocation" means removal of all or substantially all of the

trial or commercial operations in an establishment to a new location, within or outside of the state, that is one hundred or more miles from the location of the original establishment.

Sec. 122.131. There is hereby created the employee ownership assistance program to be administered by the director of development. The director may employ any professional and technical personnel and other employees that are necessary to comply with sections 122.13 to 122.136 of the Revised Code. The director shall assist an individual or group of individuals, who seek assistance in the establishment of an employee-owned corporation. The director shall inform local government, business organizations, labor organizations, and others in the state of the availability of the program and its services established pursuant to sections 122.13 to 122.136 of the Revised Code.

Sec. 122.132. The director of development shall do all of the following:

(A) Develop, collect, and disseminate information useful to individuals and organizations throughout the state in undertaking or promoting the establishment and successful operation of employee-owned corporations;

(B) Assist in the evaluation of the feasibility and economic vitality of employee-owned corporation proposals received in the employee ownership assistance program;

(C) Provide technical assistance and counseling services to individuals who seek to form an employee-owned corporation;

(D) Provide assistance and counseling in the operation of an employee-owned corporation;

(E) Assist individuals in obtaining financing for the purchase and operation of an employee-owned corporation;

(F) Promote and coordinate the efforts of local, state, federal, or private organizations to assist in the formation or operation of employee-owned corporations;

(G) Recommend appropriate legislative or executive actions to enhance opportunities for employee-owned corporations in this state;

(H) Prescribe all forms for assistance requests and publish materials describing the employee ownership assistance program's services;

(I) Adopt rules under Chapter 119. of the Revised Code for the conduct of the employee ownership assistance program.

Sec. 122.133. (A) The director of development may establish technical and advisory boards in accordance with section 122.09 of the Revised Code as the director considers appropriate to assist in the execution of the employee ownership assistance program and may obtain information and cooperation concerning the program, upon request, from any department,

bureau, institution, agency, or office of the state government in accordance with section 122.10 of the Revised Code.

(B) The director of development shall publicize the availability of the employee ownership assistance program and its services to local governments and to business and labor organizations and shall coordinate with local governments, business and labor organizations, and other state agencies in obtaining information relating to the possible relocation of operations or closing of a business establishment.

Sec. 122.134. If the director of development becomes aware that a business establishment is closing or relocating operations, the director, pursuant to a request received under section 122.135 of the Revised Code, may conduct an initial study of the feasibility of the employees of the business establishment establishing an employee-owned corporation to continue the operations of the business establishment, or to operate another business, and may hold an informational meeting of representatives of the local community, the business establishment, representatives of any employee organization, and affected employees to explain the services available from the department of development relative to the formation of an employee-owned corporation.

Sec. 122.135. Any individual, group of individuals, employees, organization of employees, or local community affected by any closing or relocation of a business establishment's operations or the proposed closing or relocation of a business establishment's operations may request, in a manner prescribed by the director of development, assistance in efforts to study the feasibility of the establishment of an employee-owned corporation and any other assistance the director may provide pursuant to sections 122.13 to 122.136 of the Revised Code.

Sec. 122.136. The director of development shall prepare and submit a report to the governor and the general assembly annually on or before the first day of February of the services and activities of the employee ownership assistance program for the preceding calendar year. The director shall include in the report information regarding the number, names, and locations of business establishments that have been or likely will be assisted as employee-owned corporations; recommendations on how to better operate the program; information regarding the effectiveness of the program in maintaining and improving employment in the state; and the number of individuals affected by the activities of the program.

SECTION 2. Sections 122.13, 122.131, 122.132, 122.133, 122.134, 122.135, and 122.136 of the Revised Code are hereby repealed, effective

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December 31, 2004.

SECTION 3. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for the necessity lies in the fact that the Employee Ownership Assistance Program, which expired on December 31, 1999, is an indispensable program that helps create and preserve jobs and employment opportunities for the people of this state when corporations indicate their intent to close or relocate their operations. Therefore, this act shall go into immediate effect.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____