

SENATE No. 261

The Commonwealth of Massachusetts

PRESENTED BY:

Julian Cyr

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act enabling the Massachusetts Center for Employee Ownership.

PETITION OF:

NAME:

Julian Cyr

DISTRICT/ADDRESS:

Cape and Islands

SENATE No. 261

By Mr. Cyr, a petition (accompanied by bill, Senate, No. 261) of Julian Cyr for legislation to enable the Massachusetts Center for Employee Ownership. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act enabling the Massachusetts Center for Employee Ownership.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 23D of the General Laws, as appearing in the 2018 Official
2 Edition, is hereby amended in section 16, by striking out the words “Director of the Industrial
3 Services Program” and inserting in place thereof the following words:- Director of the
4 Massachusetts Center for Employee Ownership

5 SECTION 2. Chapter 23D of the General Laws is hereby amended by striking out section
6 17, as appearing in the 2018 Official Edition, and inserting in placed thereof the following
7 section:-

8 Section 17. (a) There is hereby established a center for employee ownership within the
9 Massachusetts Office of Business Development established under section 1 of chapter 23A. The
10 center for employee ownership shall provide education, conduct outreach and promote efforts to
11 create an overall environment in the commonwealth which will expand and enhance employee
12 ownership, increase the number of employee owned companies, publicize and promote the

13 benefits of employee involvement and ownership to policy makers and the general public,
14 encourage collaborative outreach efforts regarding involvement and ownership in the workplace,
15 research and evaluate employee involvement and employee ownership in the commonwealth,
16 showcase employee ownership initiatives in the commonwealth, facilitate and coordinate the
17 sharing of existing information and resources, and provide grants pursuant to the provisions of
18 this chapter. The Director of the Massachusetts Center for Employee Ownership shall have the
19 power to hire staff, appoint any specific committee or task force and to contract with consultants,
20 agents or advisors deemed necessary to further the purposes of this section.

21 (b) The Director of the Massachusetts Center for Employee Ownership may accept gifts
22 or grants of money or property from any source to further the work of the Center for Employee
23 Ownership; provided, however, that any money received shall be deposited with the State
24 Treasurer to be kept in a separate fund in the treasury to be named the Center for Employee
25 Ownership Fund dedicated to the Center for Employee Ownership and for expenditure without
26 appropriation by the Director of the Massachusetts Center for Employee Ownership in
27 accordance with the conditions of such a gift or grant. Amounts remaining in the fund at the end
28 of a fiscal year shall not revert to the general fund and shall be available for expenditure in the
29 next fiscal year and thereafter.

30 (c) The Director of the Massachusetts center for Employee Ownership shall issue rules,
31 regulations and procedures governing the application for and delivery of services which are
32 deemed necessary for the proper performance of the duties of the center for employee ownership.

33 (d) Annually, the Director of the Massachusetts Center for Employee Ownership shall
34 file a report with the clerks of the house and senate including an inventory of employee owned

35 businesses in the state and the specific activities taken by the center to support and promote the
36 transition of traditionally structured companies to an employee ownership model.

37 (e) The Director of the Massachusetts Center for Employee Ownership shall report
38 directly to the Director of the Massachusetts Office of Business Development.

39 SECTION 3. Chapter 6 of the General Laws is hereby amended by striking out section
40 204, as appearing in the 2018 Official Edition, and inserting in placed thereof the following
41 section:-

42 Section 204. (a) There shall be an advisory board on employee ownership, hereinafter
43 called the board, to consist of nineteen members including the director of the Massachusetts
44 Office of Business Development or their designee, the Secretary of the Executive Office of
45 Labor and Workforce Development or their designee, the Director of the Massachusetts Growth
46 Capital Corporation or their designee, the CEO of Associated Industries of Massachusetts or
47 their designee, the Director of the Center for Economic Democracy or their designee, the Chapter
48 President of the New England chapter of the ESOP association or their designee, the President of
49 AFL-CIO of Massachusetts or their designee, the President of the University of Massachusetts or
50 their designee, and seven additional members shall be appointed by the Governor who shall
51 represent separate and distinct corporations, each with not less than 30 per cent of company stock
52 owned by an employee stock ownership plan or an employee ownership trust, and four additional
53 members shall be appointed by the Governor who shall represent separate and distinct industrial
54 or worker cooperatives.

55 (b) Each appointed member shall serve for a term of four years. Upon expiration of the
56 term of a member, a successor shall be appointed, in the same manner for a like term. Any

57 member shall be eligible for reappointment, but may not serve for any period longer than eight
58 years consecutively. Vacancies shall be filled in a like manner for the remainder of the unexpired
59 term. Any member may be removed from their appointment by a vote of the majority of the
60 advisory board.

61 (c) Ten members of the board shall constitute a quorum and the affirmative vote of ten
62 members shall be necessary and sufficient for any action to be taken by the board. The board
63 shall meet not less than three times annually, and remote participation in meetings shall be
64 allowed. No vacancy in the membership of the board shall impair the right of a quorum to
65 exercise all the rights and perform all the duties of the board. Any action taken by the board may
66 be authorized by resolution at any regular or special meeting and shall take effect immediately
67 unless otherwise provided in the resolution.

68 (d) There shall be a chairperson and a vice chairperson of the board elected annually at
69 the first meeting of the advisory board. The board may elect such other officers as it deems
70 necessary.

71 (e) The board shall advise the Governor and the Director of the Massachusetts Center for
72 Employee Ownership on issues and policy matters pertaining to employee involvement and
73 ownership in the commonwealth. Staff members of the Massachusetts Center for Employee
74 Ownership shall support the administrative functions of the board.

75 (f) The board shall advise the director of the Massachusetts Office of Business
76 Development on the selection of a Director of the Massachusetts Center for Employee
77 Ownership.

78 (g) The board shall adopt by-laws, operating rules, procedures and a mission statement.