

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB25-1021 be amended as follows:

1 Amend printed bill, page 3, line 5, strike "SECTION," and substitute  
2 "SUBSECTION (4)(dd),".

3 Page 3, strike lines 17 through 20.

4 Reletter succeeding sub-subparagraph accordingly.

5 Page 5, line 1, strike "SECTION," and substitute "SUBSECTION (3)(s),".

6 Page 5, strike lines 13 through 16.

7 Reletter succeeding sub-subparagraph accordingly.

8 Page 6, line 17, strike "SECTION," and substitute "SUBSECTION (3)(t),".

9 Page 7, line 17, after "(1)(a)(III)," add "(2)(a)(II)," and after "(2)(j)(II),"  
10 add "(2)(j)(III),".

11 Page 7, line 19, after "(14);;" insert "**repeal** (2)(j)(I);".

12 Page 8, after line 6 insert:

13       "(a) (II) The office shall develop guidelines that clarify the types  
14 of employee ownership grants that qualify as an alternate equity structure.  
15 THE OFFICE MAY DEVELOP GUIDELINES THAT ADJUST THE PERCENTAGES  
16 SET FORTH IN SUBSECTION (2)(a)(I) OF THIS SECTION; EXCEPT THAT THE  
17 PERCENTAGES SHALL NOT BE ADJUSTED TO AN AMOUNT LESS THAN  
18 TWENTY PERCENT. The office may periodically update any guidelines  
19 issued pursuant to this subsection (2)(a)(II).".

20 Page 8, after line 22 insert:

21       "(I) ~~Is owned in whole or in part by an employee ownership~~  
22 ~~trust;~~".

23 Page 8, line 23, strike "state." and substitute "state;".

24 Page 9, after line 1 insert:

25       "(III) (A) IS OWNED IN WHOLE OR IN PART BY AN EMPLOYEE  
26 OWNERSHIP TRUST;

4 Page 9, line 4, after "CODE" insert "OR A TAXPAYER SUBJECT TO TAX  
5 UNDER THIS ARTICLE 22, INCLUDING A C CORPORATION, S CORPORATION,  
6 LIMITED LIABILITY COMPANY, PARTNERSHIP, LIMITED LIABILITY  
7 PARTNERSHIP, SOLE PROPRIETORSHIP, OR OTHER SIMILAR PASS-THROUGH  
8 ENTITY".

9 Page 9, line 9, after "CONVERSION" insert "TO" and strike "TO" and  
10 substitute "OF".

11 Page 9, line 11, after "THREE" insert "EITHER".

12 Page 9, strike lines 12 and 13 and substitute "THAT HAVE THE INTENT OF  
13 CONVERTING TO QUALIFIED EMPLOYEE-OWNED BUSINESSES OR QUALIFIED  
14 EMPLOYEE-OWNED BUSINESSES THAT HAVE THE INTENT OF EXPANDING;".

15 Page 9, line 18, after "(k.5)" insert "(I)" and strike "MEANS" and substitute  
16 "MEANS, SUBJECT TO GUIDELINES DEVELOPED BY THE OFFICE PURSUANT  
17 TO SUBSECTION (5)(a) OF THIS SECTION,".

18 Page 9, strike lines 20 through 23 and substitute:

19 " (A) STAFF SALARIES AND BENEFITS FOR STAFF INVOLVED IN  
20 BUSINESS DEVELOPMENT, MARKETING, AND OUTREACH;".

21 Page 9, line 24, strike "(II)" and substitute "(B)".

22 Page 9, line 26, strike "EMPLOYEE-OWNERSHIP;" and substitute  
23 "EMPLOYEE-OWNERSHIP AND SIMILAR COSTS;"

24 Page 9, strike line 27.

25 Page 10, strike lines 1 and 2 and substitute:

26                    "(C) A PROPORTIONAL AMOUNT OF BASIC ORGANIZATIONAL  
27 OVERHEAD COSTS INCLUDING GENERAL OR ADMINISTRATIVE COSTS,  
28 EXPENSES, RENT, AND FACILITIES COSTS.

29 (II) "SUPPORT COSTS" DOES NOT INCLUDE ANY COSTS THAT ARE  
30 CONVERSION COSTS.".

31 Page 11, line 12, strike "OR THE EXPANSION".

1 Page 11, line 13, strike "BUSINESSES." and substitute "BUSINESSES OR THE  
2 EXPANSION OF QUALIFIED EMPLOYEE-OWNED BUSINESSES.".

3 Page 12, line 19, strike "BUSINESSES," and substitute "BUSINESSES OR  
4 QUALIFIED EMPLOYEE-OWNED BUSINESSES,".

5 Page 12, line 21, after the second "BUSINESS" insert "OR EXPANSION OF A  
6 QUALIFIED EMPLOYEE-OWNED BUSINESS".

7 Page 12, line 23, strike "CONVERSION," and substitute "CONVERSION OR  
8 EXPANSION," and after "BUSINESSES" insert "OR QUALIFIED  
9 EMPLOYEE-OWNED BUSINESSES".

10 Page 12, line 25, strike "EXPAND TO QUALIFIED EMPLOYEE-OWNED  
11 BUSINESSES" and substitute "EXPAND, AS APPLICABLE,".

12 Page 13, line 12, after the first "business" insert "OR, IF APPLICABLE, THE  
13 NONPROFIT ORGANIZATION".

14 Page 13, line 16, after the second "business" insert "OR, IF APPLICABLE,  
15 THE NONPROFIT ORGANIZATION".

16 Page 14, line 23, after "THAT" insert "IS AN ORGANIZATION EXEMPT FROM  
17 TAXATION UNDER SECTION 501 (c)(3) OF THE INTERNAL REVENUE CODE  
18 AND THAT".

19 Page 15, strike line 10 and substitute "(2)(a) introductory portion,  
20 (2)(d)(II), (2)(d)(III), and (2)(f); and **repeal** (2)(d)(I) as follows:".

21 Page 15, after line 15 insert:

22         "(a) "Alternate equity structure" means a mechanism under which  
23 an employer grants to employees a form of employee ownership,  
24 including but not limited to an employee stock purchase plan, LLC  
25 membership, phantom stock, profit interest, restricted stock, stock  
26 appreciation right, stock option, or synthetic equity. The office may  
27 develop guidelines that clarify the types of employee ownership grants  
28 that qualify as an alternate equity structure. THE OFFICE MAY DEVELOP  
29 GUIDELINES THAT ADJUST THE PERCENTAGES SET FORTH IN THIS  
30 SUBSECTION (2)(a); EXCEPT THAT THE PERCENTAGES SHALL NOT BE  
31 ADJUSTED TO AN AMOUNT LESS THAN TWENTY PERCENT. An alternate  
32 equity structure must at a minimum:".

33 Page 15, after line 19 insert:

1            "(I) Is owned in whole or in part by an employee ownership trust;  
2            (II) (A) IS OWNED IN WHOLE OR IN PART BY AN EMPLOYEE  
3            OWNERSHIP TRUST;  
4            (B) Has an employee stock ownership plan;  
5            (C) Is beneficially owned in whole or in part by a worker-owned  
6            cooperative; or  
7            (D) Has an alternate equity structure; and".

8            Strike "A QUALIFIED TAXPAYER" and substitute "AN OWNER" on: **Page 3**,  
9            line 3; and **Page 4**, line 26.

10          After "A" insert "BUSINESS OR A" on: **Page 12**, line 15; and **Page 13**, line  
11          6.

12          After the second "THE" insert "BUSINESS OR THE" on: **Page 12**, lines 18  
13          and 23.

14          After "THE" insert "BUSINESS OR THE" on: **Page 12**, lines 19 and 22.

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