It is enacted by the General Assembly as follows:

SECTION 1. Title 28 of the General Laws entitled "LABOR AND LABOR RELATIONS" is hereby amended by adding thereto the following chapter:

CHAPTER 58
LOCAL OWNERSHIP OPPORTUNITY ACT

This chapter shall be known and may be cited as the "Local Ownership Opportunity Act."

The purpose of this legislation is to preserve jobs and create new opportunities for economic growth and entrepreneurship in Rhode Island by providing opportunity for employees affected by plant closings or mass layoffs to furnish competitive bids to purchase businesses otherwise at risk of reducing workforce.

(a) "Employer," "plant closing," "mass layoff," "representative," "affected employees," "employment loss," "unit of local government," and "part-time employee" have the same meanings as are defined in 29 U.S.C.A. 2101(a).
(b) "Employing business" means the entity for which the affected employees worked or were suffered or permitted to work at the time the notice defined in § 28-58-4 was issued.

(a) Whenever an employer is required by the Worker Adjustment and Retraining Notification Act (WARN Act), 29 U.S.C.A. Chapter 23, to provide advance notice of a plant closing or mass layoff, the director of the department of labor and training, or any designee thereof, shall provide to the affected employees or the representative of the affected employees written notice consisting of, but not limited to, the following:

1. Notice of the affected employees’ right to furnish a bid to purchase the employing business;
2. Information regarding the formation of a workers’ cooperative under chapter 6.2 of title 7; and
3. Materials explaining the right to conduct an election to determine whether to pursue the purchase of the employing business.


(a) Upon receipt of the notice provided by the director of labor and training, or designee, the affected employees, or their representative, shall determine, by means of election, within thirty (30) days, whether to pursue the preparation of a bid to purchase the employing business.

(b) Election to pursue purchase of the employing entity shall be evidenced by writings attesting to the employee’s desire to pursue purchase, provided that each writing contain an original signature of an affected employee and the total number of writing exceeds fifty percent (50%) of the total affected employees.

(c) Upon election to proceed, those affected employees who wish to participate in the purchase bid shall enter into a formal, written agreement to proceed.


Whenever a purchase of the employing entity is successfully completed, membership shares and compensation shall be set by the terms of the articles of incorporation and bylaws of the newly formed worker cooperative organized under chapter 6.2 of title 7.


In the event that the employing entity is purchased by the affected workers who have entered into the formal agreement, the purchasing entity shall have the same obligations to any employees who elected not to participate in the purchase as any other successor in interest.


Nothing in this chapter shall be construed as compelling a sale by the employing business.


The department of labor and training shall coordinate implementation and enforcement of
this chapter and may promulgate appropriate guidelines or regulations for such purposes.


If any provision of this chapter or any rule or regulation created under this chapter, or the application of any provision of this chapter to any person or circumstance shall be held invalid in any court of competent jurisdiction, the remainder of the chapter, rule, or regulation and the application of such provision to other persons or circumstances shall not be affected thereby. The invalidity of any section or sections or parts of any section of this chapter shall not affect the validity of the remainder of this chapter and to this end the provisions of the chapter are declared to be severable.

SECTION 2. This act shall take effect on January 1, 2019.
This act would provide an opportunity for employees affected by plant closings or mass layoffs to furnish competitive bids to purchase businesses otherwise at risk of reducing workforce.

This act would take effect on January 1, 2019.