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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- LOCAL OWNERSHIP
OPPORTUNITY ACT

Introduced By: Senators Cano, Goldin, Goodwin, Miller, and Gallo

Date Introduced: February 13, 2019

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

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

3 CHAPTER 58

4 LOCAL OWNERSHIP OPPORTUNITY ACT

5 **28-58-1. Short title.**

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

7 **28-58-2. Legislative purpose.**

8 The purpose of this legislation is to preserve jobs and create new opportunities for
9 economic growth and entrepreneurship in Rhode Island by providing opportunities for employees
10 to purchase a business, otherwise at risk of closure.

11 **28-58-3. Definitions.**

12 (a) "Employer," "plant closing," "mass layoff," "representative," "employment loss,"
13 "unit of local government," and "part-time employee" means those terms as defined in 29 U.S.C.
14 2101(a).

15 (b) "Employing business" means the business enterprise or entity for which the affected
16 employees worked or were suffered or permitted to work at the time the notice defined in § 28-
17 58-4 was issued.

18 **28-58-4. Notification to affected employees.**

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

6 (1) Notice of the affected employees' right to furnish a bid to purchase the employing
7 business; and

8 (2) Information regarding the formation of a workers' cooperative under chapter 6.2 of
9 title 7.

10 (b) The department of labor and training or any designee thereof, shall make available to
11 employees information, materials, and resources on the creation of worker's cooperatives as
12 defined in chapter 6.2 of title 7.

13 (c) The department of labor and training shall provide access for business owners to
14 information, and materials on the creation of worker's cooperatives under chapter 6.2 of title 7,
15 and the conversion of a traditionally owned business to worker ownership.

16 **28-58-5. Sale not compelled.**

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

19 **28-58-6. Regulations.**

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

22 **28-58-7. Severability.**

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

30 SECTION 2. This act shall take effect on September 1, 2019.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO LABOR AND LABOR RELATIONS -- LOCAL OWNERSHIP
OPPORTUNITY ACT

- 1 This act would create a process that provides affected employees an opportunity to
- 2 purchase the business that employs them, but is in danger of being sold or going out of business.
- 3 This act would take effect on September 1, 2019.

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