

2018 -- S 2871

LC005535

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

A N A C T

RELATING TO LABOR AND LABOR RELATIONS -- DEPARTMENT OF LABOR AND TRAINING

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

Date Introduced: May 03, 2018

Referred To: Senate Labor

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 opportunity for employees
10 affected by plant closings or mass layoffs to furnish competitive bids to purchase businesses
11 otherwise at risk of reducing workforce.

12 **28-58-3. Definitions.**

13 (a) "Employer," "plant closing," "mass layoff," "representative," "affected employees,"
14 "employment loss," "unit of local government," and "part-time employee" have the same
15 meanings as are defined in 29 U.S.C.A. 2101(a).

16 (b) "Employing business" means the entity for which the affected employees worked or
17 were suffered or permitted to work at the time the notice defined in § 28-58-4 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.A. Chapter 23, to provide advance notice of a plant
3 closing or mass layoff, the director of the department of labor and training, or any designee
4 thereof, shall provide to the affected employees or the representative of the affected employees
5 written notice 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;

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

10 (3) Materials explaining the right to conduct an election to determine whether to pursue
11 the purchase of the employing business.

12 **28-58-5. Election by affected employees.**

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

16 (b) Election to pursue purchase of the employing entity shall be evidenced by writings
17 attesting to the employee's desire to pursue purchase, provided that each writing contain an
18 original signature of an affected employee and the total number of writing exceeds fifty percent
19 (50%) of the total affected employees.

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

22 **28-58-6. Restructuring of business.**

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

26 **28-58-7. Obligation to employees not participating in purchase.**

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

30 **28-58-8. Sale not compelled.**

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

33 **28-58-9. Regulations.**

34 The department of labor and training shall coordinate implementation and enforcement of

1 this chapter and may promulgate appropriate guidelines or regulations for such purposes.

2 **28-58-10. Severability.**

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

10 SECTION 2. This act shall take effect on January 1, 2019.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO LABOR AND LABOR RELATIONS -- DEPARTMENT OF LABOR AND
TRAINING

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

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