106TH CONGRESS
1ST SESSION

H. R. 499

To amend the Worker Adjustment and Retraining Notification Act to require an employer which is terminating its business to offer its employees an employee stock ownership plan.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1999

Mr. TRAFICANT introduced the following bill; which was referred to the Committee on Education and the Workforce

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A BILL

To amend the Worker Adjustment and Retraining Notification Act to require an employer which is terminating its business to offer its employees an employee stock ownership plan.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4   This Act may be cited as the "Employee Ownership

5 Enhancement Act".

6 **SEC. 2. EMPLOYEE STOCK OWNERSHIP PLAN.**

7   Section 3 of the Worker Adjustment and Retraining

8 Notification Act (29 U.S.C. 2102) is amended—

1   (1) in the section head, by adding at the end

2 the following: "AND EMPLOYEE STOCK OWN-

3 ERSHIP PLANS"; and

4   (2) by adding at the end the following:

5 "(e) EMPLOYEE STOCK OWNERSHIP PLANS.—

6   "(1) GENERAL RULE.—If an employer orders a

7 plant closing in connection with the termination of

8 its business the employer shall offer its employees an

9 opportunity to purchase the business through an em-

10 ployee stock ownership plan as defined in section

11 4975(e)(7) of the Internal Revenue Code of 1986.

12 The value of the business which is to be the subject

13 of such plan shall be its fair market value as deter-

14 mined by experts in appraisal and such business.

15 The cost of the appraisal shall be borne by the em-

16 ployees.

17   "(2) EXEMPTIONS.—The requirement of para-

18 graph (1) shall not apply—

19   "(A) if an employer orders a plant closing

20   but will retain the assets of such plant to con-

21   tinue or begin a business; or

22   "(B) if an employer orders a plant closing

23   and such employer intends to continue the busi-

1   ness conducted at such plant at another

2   plant.''.

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