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By:  Shine H.C.R. No. 179

CONCURRENT RESOLUTION

WHEREAS, Employee Stock Ownership Plans (ESOPs) are tax qualified retirement plans authorized and encouraged by U.S. tax and pension laws and commonly referred to as "employee-owned companies"; and

WHEREAS, The National Center for Employee Ownership estimates that there are approximately 11,300 employee stock ownership plans for over 13 million employees in the United States and that Texas is currently home to over 700 ESOPs; and

WHEREAS, A 2000 Rutgers study found that companies grow 2.3 to 2.4 percent faster after establishing an ESOP and that companies that combine employee ownership with employee workplace participation programs show even more substantial gains in performance; and

WHEREAS, An ESOP is a powerful mechanism to vest employees in the company and boost employee morale; such plans create an opportunity for employees to share in company growth and performance and give employees real ownership stakes, with high potential to invigorate their contributions to the success of the business; and

WHEREAS, ESOPs encourage corporate and economic growth, reduce unemployment, increase job satisfaction, improve employee retention, and foster entrepreneurialism, and they should be heavily promoted in Texas; now, therefore, be it

RESOLVED, That the 86th Legislature of the State of Texas hereby request the Governor's Office of Economic Development and Tourism to conduct a study on the promotion of Employee Stock Ownership Plans in Texas; and, be it further

RESOLVED, That the office be requested to submit a full report, including findings and recommendations, to the 87th Texas Legislature before it convenes in January 2021.