

By: Shine

H.C.R. No. 179

CONCURRENT RESOLUTION

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

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

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

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

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

24 RESOLVED, That the 86th Legislature of the State of Texas

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1 hereby request the Governor's Office of Economic Development and
2 Tourism to conduct a study on the promotion of Employee Stock
3 Ownership Plans in Texas; and, be it further

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