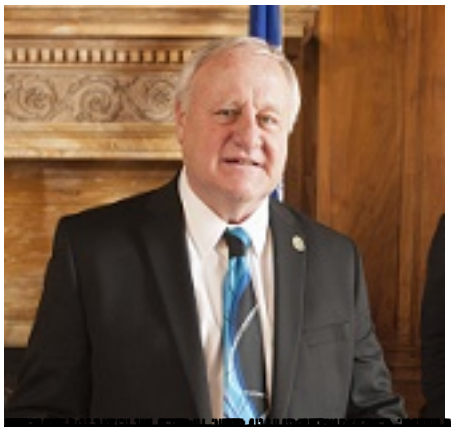
http://newiprogressive.com/images/stories/S5/employee-ownership-s5.jpg

Employee Ownership Act would protect workers and provide new help for owners looking to transfer or sell their business.

MADISON - State Senator **Dave Hansen** (D - Green Bay) announced Thursday that he has introduced legislation aimed at updating and improving Wisconsin's employee ownership laws. The Employee Ownership Act would create a new model of employee ownership called an Employee Ownership Trust. Although the model has been successful in the United Kingdom for decades, Sen. Hansen's bill is the first legislation of its kind in the United States.

"While Wisconsin has a good environment for employee-owned businesses, by borrowing on other tried and true experiences we can do more to protect employees and improve the tax benefits for owners looking to sell or transfer their business to their employees," said Hansen.

Employee ownership as it is defined under current law, formed as Employee Stock Ownership Plans (ESOPs), is a popular tool for encouraging employee ownership. But it has some key flaws that can impact both employees and owners in ways that are not in either of their best interests. For example, currently if an employee-owned business receives a legitimate offer to buy the business the owners are required to sell even if it means the buyer plans to close or liquidate the business resulting in the loss of the employee-owners' jobs.



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