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## SENATE JOINT RESOLUTION NO. 103

Offered January 26, 1998

*Recognizing the importance of employee stock ownership plans (ESOPs) in the private sector as a financial tool to promote employee-owned companies*

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Patron—Stosch

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Referred to the Committee on Rules

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WHEREAS, the Commonwealth of Virginia has been at the forefront of efforts to encourage innovation in the way Virginia agencies provide goods and services to the public; and

WHEREAS, the taxpayers of Virginia expect the Commonwealth of Virginia to explore ways to ensure that government provides its goods and services in the most efficient and cost-effective manner, thus ensuring that Virginia can continue to keep its state and local taxes at relatively low rates; and

WHEREAS, Virginia has been a leader among the states in attempting to use privatization to encourage state functions to be turned over to the private sector when appropriate; and

WHEREAS, Virginia has also been a leader in encouraging government agencies to be innovative to keep costs low and quality high, and in encouraging public/private partnerships as a way of leveraging state dollars with creative private sector initiatives; and

WHEREAS, the Secretary of Administration and the Commonwealth Competition Council were directed by Senate Joint Resolution No. 284 approved by the 1997 General Assembly to study methods to privatize appropriate state government functions through the development and promotion of employee-owned companies, commonly known as ESOPs; and

WHEREAS, Senate Document No. 12 to the Governor and the 1998 Session of the General Assembly found that ESOPs are an excellent financial tool which encourages employee ownership of companies, which in turn can result in significantly enhanced employee motivation and corporate productivity; and

WHEREAS, the benefits of ESOPs complement the efforts to encourage some functions currently performed by the Commonwealth to be transferred to private ownership, and perhaps even to the same employees presently providing those state functions; and

WHEREAS, there are no state government statutes that prevent state government services or functions from becoming an ESOP; and

WHEREAS, the Commonwealth should encourage incentives offered by ESOPs which would further increase the Commonwealth's privatization efforts; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That this legislative body supports ESOPs as an effective and viable privatization method to provide state and local government services and functions to the citizens of the Commonwealth.

INTRODUCED

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