



Cosponsor the Bipartisan Employee Equity Investment Act (EEIA) in the House or Senate

BACKGROUND

- Many ESOPs never form, or dissolve their ESOP, because of weak access to capital – a key factor limiting the growth of the number of ESOPs and Employee Ownership.
- The Employee Equity Investment Act would use the current Small Business Investment Company (SBIC) program at the SBA to motivate private capital investment with SBIC loan guarantees to specifically support ESOP formation and recapitalization.

SUMMARY

- S. 1618, Introduced in the Senate by Senator Chris Van Hollen (D-MD), Senator Marco Rubio (R-FL), Senator Tammy Baldwin (D-WI), Senator Todd Young (R-IN), Senator Jeanne Shaheen (D-NH), and Senator Mike Braun (R-IN).
- House companion bill H.R. 3373, introduced by Rep. Dean Phillips (D-MN), Rep. Blake Moore (R-UT), Rep. Chrissy Houlahan (D-PA) and Rep. Dusty Johnson (R-SD).
- The goal of the Employee Equity Investment Act of 2023 (EEIA) is to advance employee ownership by leveraging full faith and credit of the U.S. government in partnership with private investment funds.
- The bill would create an Employee Ownership specific facility in the SBIC program to provide capital to finance the voluntary sale of privately held small and medium-sized businesses to their employees.
- The program would license existing SBIC's and allow for the creation of new SBIC's as Employee Equity Investment Companies (EEICs) to make a range of debt and equity-like investments in eligible employee ownership transactions that generate market-rate returns. The facility would offer a standard debt security that is federally guaranteed, operating without taxpayer subsidy cost.

ADDITIONAL COSPONSORS as of July 27, 2023

- Senate: Senator Peter Welch (D-VT), Senator Eric Schmitt (R-MO)
- House: Rep. Brian Fitzpatrick (R-PA), Rep. Dan Meuser (R-PA), Rep. Mark Pocan (D-WI), Rep. Jill Tokuda (D-HI), Rep. Jamaal Bowman (D-NY), Rep. Zach Nunn (R-IA), Rep. Lori Chavez-DeRemer (R-OR), Rep. Jared Golden (D-ME)

REQUEST

- Cosponsor the bipartisan EEIA bill to help promote greater access to capital for ESOP formation.

Contacts for more information or to cosponsor:

Senator Van Hollen – Harry Stein, harry_stein@vanhollen.senate.gov

Senator Marco Rubio – Luis Hinojos, luis_hinojos@rubio.senate.gov

Rep. Dean Phillips – Griffin Wong, griffin.wong@mail.house.gov

Rep. Blake Moore – Will Derrick, will.derrick@mail.house.gov