



## New York Design Professional Corporations Can Now Be 100% ESOP Owned

07.21.2022

It is no secret that the licensing rules regulating engineers, architects, and other design professionals in New York are amongst the strictest in the nation. This strict regulatory framework has hampered the ownership desires of many design professional firms. On July 21, 2022, New York Governor Hochul signed into law an amendment to the DPC law that allows an ESOP to own 100% of a Design Professional Corporation (DPC) starting in July 2024.

This revision to the current statutory scheme, which currently allows something less than 25% ownership by the ESOP, is a significant change. In most cases, the less than 25% piece is not large enough for the creation of the ESOP to achieve the financial benefits that may make the ESOP an attractive alternative. One additional requirement of the 100% owned ESOP is that more than 75% of the ESOP's voting trustees or committee members would need to be licensed design professionals. The bill (A.1891D (Lupardo) /S.5261B (Kennedy)) can be found [here](#).

**ATTORNEYS**



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