
OLR Bill Analysis

HB 5442

AN ACT CONCERNING THE PARTICIPATION OF NONPROFIT ENTITIES IN WORKER COOPERATIVES.

SUMMARY

This bill allows a nonprofit corporation to become a member of a worker cooperative and own ownership shares in this business entity, which, by law, must be owned and controlled by its employees. Current law allows only a cooperative's full- and part-time employees to become members and own ownership shares.

By becoming a member of a worker cooperative, a nonprofit organization can serve on its board and receive a portion of the cooperative's net earnings (i.e., patronage allocations), which, by law, the cooperative must apportion to each member in proportion to his or her share of the work performed by all members during a specified period.

EFFECTIVE DATE: October 1, 2018

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 17 Nay 3 (03/22/2018)