

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: HB-5442

AN ACT CONCERNING THE PARTICIPATION OF NONPROFIT ENTITIES IN

Title: WORKER COOPERATIVES.

Vote Date: 3/22/2018

Vote Action: Joint Favorable

PH Date: 3/20/2018

File No.:

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

The bill allows nonprofit organizations to qualify as a member of a worker cooperative and own a membership share. Nonprofits desire the ability to qualify for a worker cooperative.

RESPONSE FROM ADMINISTRATION/AGENCY:

None submitted

NATURE AND SOURCES OF SUPPORT:

Adam Rice & Lauren Hobby, Students, Ludwig Center for Community and Economic Development, Yale Law: Support the bill. This aligns with the national trend of allowing nonprofits to enter into worker cooperatives. The bill supports the creation, growth, and stability of new worker cooperatives.

Brian P. Vahey Jr. Director, Bridgeport Neighborhood Trust: Supports the bill stating that, “by modernizing the CT Worker Cooperative Corporation Act, this bill will expand Bridgeport Neighborhood Trust’s for incubating employee-owned businesses.”

EDC, New Haven: Supports the bill. Worker co-ops are a win-win for local businesses. They urge passage in a form that “provides needed flexibility to worker cooperatives and preserves core cooperative principles.”

Toni Harp, Mayor, New Haven: Supports the bill. If a worker has a stake in their business through profit sharing, they have more incentive to perform. Furthermore, worker-owned businesses do not outsource, helping build the foundation for long term success.

NATURE AND SOURCES OF OPPOSITION:

None submitted

Reported by: Stevie Hoyt

Date: 3/28/18