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Subject: Worker Co-op Corporation Language Tweak
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Over the past few years, we've had several worker co-op conversions run into issues with the current Vermont Worker Cooperative Corporation requirement that 50.1% of the work-force (including part timers) be owners. While they've been able to achieve their goals by forming a C-corporation that elects to be taxed under the Subchapter-T of the Internal Revenue Code, amending the language of Vermont's law to reflect that of the California statute would maintain the intended effect while removing a major barrier to companies incorporating under the Vermont Worker Cooperative Corporation statute.

Current Vermont language

(<https://legislature.vermont.gov/statutes/fullchapter/11/008>)

"The membership of a worker cooperative shall constitute at least fifty and one-tenth percent of the regular, full and part-time work force."

Current California language

(<http://www.leginfo.ca.gov/cgi-bin/waisgate?WAISdocID=88245129937+0+0+0&WAIAction=retrieve>)

"At least 51 percent of the workers shall be worker-members or candidates."

"Candidates" in this case means employees who are on an ownership track, as most co-ops have a defined "trial period" before an employee is invited to join the ownership group.

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