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H.104

Introduced by Representative Andriano of Orwell

Referred to Committee on

Date:

Subject: Commerce and trade; business organizations

Statement of purpose of bill as introduced: This bill proposes to amend the requirements concerning membership in a worker cooperative.

An act relating to worker cooperatives

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 11 V.S.A. § 1086 is amended to read:

§ 1086. MEMBERS' MEMBERSHIP SHARES; FEES; RIGHTS AND
RESPONSIBILITIES

(a) The articles of association or the bylaws shall establish qualifications and the method of acceptance of members. No person may be accepted as a member unless employed by the worker cooperative on a regular full-time or a part-time basis. ~~The membership of a worker cooperative shall constitute at least fifty and one-tenth percent of the regular, full and part time work force.~~

(b) A worker cooperative shall issue a class of voting stock designated as "membership shares." Each member shall own only one such membership share, and only members may own such shares.

1 (c) Membership shares shall be issued for a fee determined from time to
2 time by the directors. A worker cooperative may allow for payment of such
3 fee by payroll deduction, installments, or similar methods. A membership
4 share may be issued to a person upon acceptance for membership regardless of
5 whether the membership fee is fully paid.

6 (d) Sections 1864, ~~1866(b), (d), 1869(a)~~, 1870, and 1872 and subsections
7 1866(b) and (d) and 1869(a) of this title shall not apply to membership shares.
8 Sections 2003 and 2004 of this title shall not apply to membership shares
9 whose redemption price is determined by reference to internal capital accounts.

10 (e) Members of a worker cooperative shall have all the rights and
11 responsibilities of stockholders as a corporation organized under chapter 17 of
12 this title, except as otherwise provided in this chapter.

13 Sec. 2. EFFECTIVE DATE

14 This act shall take effect on July 1, 2023.