

Renee Hatcher Testimony  
Maryland State Legislature  
SB0085- Limited Worker Cooperative Association

My name is Prof. Renee Hatcher. I'm an Assistant Law Professor at the University of Illinois Chicago, where my area of expertise is business law with a focus on worker cooperative law. For several years, I previously worked at the University of Baltimore School of Law in the Community Development Clinic, supervising law students and representing cooperatives. I write to urge your support of bill SB 0085, Limited Worker Cooperative Association. This bill will address the ways in which Maryland's current statutory business law regime is ill-suited to support worker cooperative enterprises.

Worker cooperatives, businesses in which the employees own and control the business, are a fast-growing trend in the cooperative sector. Nearly a third of US worker cooperatives operating today were established since 2010, and over **60% of new cooperative worker-owners are people of color** and more than **66% of total worker-owners are women**. Worker cooperatives are proven to be an effective business model for creating dignified living wage jobs; generating community wealth; supporting workforce development and job creation including for difficult to employ populations; reducing inequality; and advancing sustainable local economic development.

Since most cooperatives are owned and controlled by community residents, **cooperative businesses are more likely to:**

- Anchor the local economy and keep wealth in the community
- Mitigate racial discrimination and worker exploitation
- Increase economic stability and worker self-sufficiency
- Advance democratic decision-making, civic engagement, and empowerment

The state of Illinois passed a similar law, HB 3663- Illinois Limited Worker Cooperative Association Act, into effect in January 2020. Since that time, we have seen a proliferation of new worker cooperative businesses and an expanding business ecosystem of support. Passing SB 0085, a new cooperative business entity in Maryland, will enhance the capacity of cooperative economic enterprises to startup and thrive.