

Regarding: HB0015, "Corporations and Associations - Limited Worker Cooperative Associations - Authorization (Maryland Limited Worker Cooperative Association Act)"

Dear House Economic Matters Committee,

As Maryland residents and worker-owners of Swamp Rose Cooperative, a native plant landscaping and nursery company based in Montgomery County, we have experienced a wide range of challenges related to the establishment and operation of a cooperatively-owned business. These difficulties have forced us to waste money that we otherwise would have used to hire additional workers and generate wealth for the community. As a result, we are writing to express our strong support for HB0015.

We launched Swamp Rose Cooperative in 2021 to use native plants to help transform the landscapes where we live, work, and play. We established the company as a cooperative because landscaping is often a highly exploitative sector: The average landscaping worker in the metro DC region earns \$15.85 per hour, according to the Bureau of Labor Statistics, and many landscapers are Latino immigrants who earn even less than this while working in harsh conditions.

By structuring Swamp Rose as a cooperative, we have been able to pay all our members a living wage and share profits equitably with the laborers whose work is so essential to the landscaping industry. We have also empowered workers to have an equal voice in daily business decisions.

Unfortunately, cooperative businesses are often left out of many State and Federal administrative frameworks, which adds an unnecessary layer of complexity to basic business processes such as incorporation, tax preparation and payment, and capital raising. This also means that cooperatives are often unable to access support from service providers (e.g., lawyers and accountants) who have experience dealing with cooperative-specific issues.

We have already experienced direct impacts of this administrative gap regarding our Federal and State income tax filing in particular, which resulted in thousands of dollars of lost revenue in our first tax year. We are also navigating prohibitively expensive workers compensation policy premiums, which pose a unique challenge to cooperatives because of the ways in which those policies are structured. And we have had to invest hundreds of hours of staff time to ensure we are completing other administrative tasks in compliance with both our cooperative bylaws and government regulations.

We therefore urge you to vote in favor of HB0015. We believe this bill will create administrative and regulatory frameworks that will simplify so many aspects of managing a cooperative business. This will, in turn, save cooperative businesses time and money, and ensure that more Maryland workers get a fair share of the wealth that they help to create.

Sincerely,

Cesar Garzon, Jeff Stottlemeyer, Piumi Perera, Jake Hess, Oscar Flores, Carlos Escamilla
Members
Swamp Rose Cooperative