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House Economic Matters Committee
Maryland General Assembly
Annapolis, Maryland

Maryland Limited Cooperative Association Act: **HB0015 / SB0144**
Individual Testimony: **Favorable**
Hearing: **Jan 21, 2025, 1pm**

Jan 17, 2025

To Members of the House Economic Matters Committee:

As representatives of Impact Hub Baltimore, we respectfully submit this **favorable testimony for HB15/SB144 - Maryland Limited Worker Cooperative Association Act**, which creates a corporate entity for limited worker cooperative associations and establishes rules and procedures for formation, governance, conversion, and dissolution of these entities.

[Impact Hub Baltimore](#) has served as a shared workspace for innovation, a convening body, and a support organization for Baltimore City small business owners and mission-driven entrepreneurs since opening our doors at the corner of North Avenue and Charles Street in 2015. Impact Hub serves as a workspace for 160+ businesses and organizations operating as members of our community. Our team convenes community conversations on policy and practices to advance the vitality of Baltimore City neighborhoods through an equity lens. And we build coalitions with local, national, and global partner organizations to advance access to resources for entrepreneurs representing underinvested groups and operating in underinvested neighborhoods.

Impact Hub partners with the Baltimore Development Corporation to convene the [Baltimore BASE Network](#) (Business Assistance and Support for Equity), along with 14 organizations who support equitable and intentional investment in entrepreneurs and neighborhoods. This coalition has provided direct technical assistance to 500+ business owners over the past 5 years through our collective efforts, and supports thousands more through our own organizations.

Through all of these initiatives, we have built strong relationships with worker-owned cooperatives in Baltimore City, and seen the power of this business structure to generate community wealth, enable economic resilience, and create pathways to business ownership. We work closely with the Baltimore Roundtable for Economic Democracy (BRED), which has invested nearly \$15 million in Maryland's worker-owned cooperatives in the past decade. They have also supported many beloved business owners to start-up or shift into worker ownership in that time. We have seen businesses like Taharka Brothers, Red Emma's, and Mera Kitchen

Collective grow, thrive, and re-invest in Baltimore neighborhoods through their worker-owned structures—often innovating and creating a positive community impact along the way. Maryland can be tremendously proud to be the home of a growing landscape of worker-owned businesses who have purchased and renovated buildings, grown good jobs with livable wages, and maintained consistent operations through economic challenges and ownership transitions.

By advancing legislation to create a corporate entity that reflects the unique values, structures, and benefits of worker owned businesses, Maryland stands to improve their economic standing and contributions to the vibrancy of our state.

Worker-owned businesses have stated their needs for clear legal incorporation processes; reasonable worker’s compensation fees; clear taxation guidelines; navigable pathways for business conversion to worker-ownership; and access to capital that aligns with the core values of economic democracy and the voting rights of worker-owners. By passing supportive legislation for worker-owned cooperatives through SB85, Maryland would join 30 other states that have worker cooperative statutes and send a clear message of support to small business owners who operate under this model. This positions these enterprises and our state to thrive.

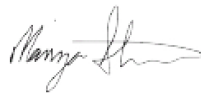
Our partners at BRED have shared that HB15/SB144 is the result of years of research, analysis, experience, and stakeholder conversations on limited worker cooperative associations. The legislation is modeled on best practices from other state legislatures; interviews and analysis by the University of Baltimore with support from the Baltimore Development Corporation and Seed Commons; and legal experts from the University of Baltimore Community Development Clinic. The guidance they have sought from local, national, and global experts to draft this legislation gives us confidence that passage of HB15 will address the concerns of worker-owned cooperatives and improve pathways for small business formation and sustainability.

For any additional testimony on our **FAVORABLE** position for **HB15**, please reach out to michelle.geiss@impacthub.net, mariya.strauss@impacthub.net or dana.cole@impacthub.net

Sincerely,



Michelle Geiss
Co-Founder & Network Director
Impact Hub Baltimore



Mariya Strauss
Co-ED & Strategy Director
Impact Hub Baltimore



Dana Cole
Co-ED & Operations Director
Impact Hub Baltimore