

SENATE No. 993

The Commonwealth of Massachusetts

PRESENTED BY:

Julian Cyr

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act supporting the establishment of employee cooperatives.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|-----------------------|-------------------------|------------------|
| <i>Julian Cyr</i> | <i>Cape and Islands</i> | |
| <i>Sarah K. Peake</i> | <i>4th Barnstable</i> | <i>1/31/2017</i> |

SENATE No. 993

By Mr. Cyr, a petition (accompanied by bill, Senate, No. 993) of Julian Cyr and Sarah K. Peake for legislation to support the establishment of employee cooperatives. Labor and Workforce Development.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act supporting the establishment of employee cooperatives.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 2 of Chapter 157A is hereby amended by adding the following
2 language:

3 “Original business owner,” a natural person who is the majority shareholder of a business
4 at the time of the cooperative conversion.

5 SECTION 2. Chapter 157A is hereby amended by inserting after section 6 the following
6 new section:

7 Section 6A. Specialized membership shares.

8 (a) An original business owner may hold membership shares on a temporary basis that
9 shall not be subject to the requirements set forth in section 2 of chapter 157. Shares held under
10 this section shall be referred to as “specialized membership shares.”

11 (b) Specialized membership shares may only be accessed after the creation of a timeline,
12 mutually agreed upon by the original business owner and members of the cooperative, for the
13 sale of all specialized shares to general membership shareholders.

14 (c) Specialized membership shares are aggregated to allow the original owner one
15 membership vote while in retention of the specialized membership shares.

16 SECTION 3. Section 8 of chapter 157A is hereby amended by adding after subsection (b)
17 the following subsection:

18 (c) Dividends from specialized membership shares under section 6A of this chapter are
19 not disbursed on a patronage basis. Specialized membership shares allow dividend returns at a
20 predetermined rate, as determined by the original business owner and worker owners at the
21 commencement of the cooperative conversion.