

118TH CONGRESS
2D SESSION

H. R. 7721

To direct the heads of certain Federal agencies to develop and support worker-owned cooperative businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2024

Mr. KHANNA (for himself, Mr. BOWMAN, and Ms. TLAIB) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committees on Financial Services, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the heads of certain Federal agencies to develop and support worker-owned cooperative businesses, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Worker Coop-
5 erative Development and Support Act”.

6 **SEC. 2. PROMOTION OF WORKER-OWNED COOPERATIVE**
7 **BUSINESS BY CERTAIN AGENCIES.**

8 The head of each covered agency shall—

1 (1) implement programs and initiatives to sup-
2 port and expand worker-owned cooperative busi-
3 nesses;

4 (2) periodically review existing regulations and
5 propose revisions to such regulations to remove bar-
6 riers that impede the formation and expansion of
7 worker-owned cooperative businesses;

8 (3) facilitate access to capital for worker-owned
9 cooperative businesses, including—

10 (A) exploring innovative financing options;

11 and

12 (B) using existing programs to support
13 worker-owned cooperative businesses;

14 (4) coordinate with the United States Council
15 on Worker Cooperatives established under section 4;

16 (5) develop, use, and contribute to the Federal
17 strategy described in section 4(d)(1);

18 (6) conduct and support research with respect
19 to—

20 (A) the economic impact of worker-owned
21 cooperative businesses;

22 (B) barriers to growth for worker-owned
23 cooperative businesses; and

1 (C) the effectiveness of existing programs
2 that relate to worker-owned cooperative busi-
3 nesses;

4 (7) provide education, outreach, and technical
5 assistance to assist existing businesses to transition
6 to worker-owned cooperative businesses;

7 (8) engage with businesses, nonprofit organiza-
8 tions, and academic institutions to identify best
9 practices to enhance the use worker-owned coopera-
10 tive businesses; and

11 (9) provide relevant training for Federal work-
12 ers to integrate worker-owned cooperative businesses
13 into existing systems of Federal Government.

14 **SEC. 3. EDUCATION AND OUTREACH RELATING TO WORK-**
15 **ER-OWNED COOPERATIVE BUSINESS.**

16 The Administrator of the Small Business Administra-
17 tion shall—

18 (1) develop educational materials relating to
19 worker-owned cooperative businesses that are—

20 (A) accessible online and in print; and

21 (B) translated into multiple languages; and

22 (2) implement an outreach program relating to
23 worker-owned cooperative businesses in communities
24 where English is not the predominant language.

1 **SEC. 4. ESTABLISHMENT OF THE UNITED STATES COUNCIL**
2 **ON WORKER COOPERATIVES.**

3 (a) IN GENERAL.—Not later than 180 days after the
4 date of enactment of this section, the Secretary of Labor
5 shall establish the United States Council on Worker Co-
6 operatives (in this section referred to as the “Council”)
7 to coordinate, across the Federal Government, activities
8 relating to the formation and expansion of worker-owned
9 cooperative businesses.

10 (b) CHAIR.—The Secretary of Labor shall—

11 (1) serve as the chair of the Council; or

12 (2) appoint a designee to serve as the chair of
13 the Council.

14 (c) MEMBERS.—The Council shall be comprised of
15 the following members:

16 (1) The Administrator of the Small Business
17 Administration.

18 (2) The Commissioner of Internal Revenue.

19 (3) The Secretary of the Treasury.

20 (4) The Secretary of Commerce.

21 (5) A representative from the National Eco-
22 nomic Council.

23 (6) The Director of the Domestic Policy Coun-
24 cil.

25 (7) A representative chosen by the Secretary of
26 Agriculture to represent the Interagency Working

1 Group on Cooperative Development of the Depart-
2 ment of Agriculture, as established under section
3 310B(e)(12) of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1932(e)(12)).

5 (8) Any other members as determined by the
6 Secretary of Labor.

7 (d) RESPONSIBILITIES.—The Council shall—

8 (1) develop a Federal strategy to incorporate
9 worker-owned cooperative businesses as a tool for
10 national economic development;

11 (2) identify regulatory barriers within the Fed-
12 eral Government to the formation and expansion of
13 worker-owned cooperative businesses;

14 (3) propose solutions to the barriers identified
15 in paragraph (2) to form and expand worker-owned
16 cooperative businesses in the United States; and

17 (4) coordinate—

18 (A) the availability of data and research
19 relating to—

20 (i) barriers to entry for the creation of
21 worker-owned cooperative businesses; and

22 (ii) benefits of worker-owned coopera-
23 tive businesses;

24 (B) educational initiatives across Federal
25 agencies to increase awareness and under-

1 standing of the worker-owned cooperative busi-
2 ness model; and

3 (C) between existing and future initiatives
4 relating to worker-owned cooperative businesses
5 to avoid duplication or conflicting objectives.

6 (e) REPORT.—Not later than 2 years after the date
7 of enactment of this section, and each year thereafter, the
8 Council shall submit to the Congress and publish on a
9 public website a report that includes a description of—

10 (1) any progress made by the Council with re-
11 spect to the responsibilities described in subsection
12 (d);

13 (2) policy recommendations relating to the pro-
14 motion of the formation and expansion of worker-
15 owned cooperative businesses; and

16 (3) the successes, best practices, and challenges
17 that Federal agencies have in the promotion of the
18 formation and expansion of worker-owned coopera-
19 tive businesses and initiatives.

20 (f) SUNSET.—The Council shall terminate on the
21 date that is 10 years after the date of enactment of this
22 section.

1 **SEC. 5. SMALL BUSINESS INTERMEDIARY LENDING PILOT**
 2 **PROGRAM FOR WORKER-OWNED COOPERA-**
 3 **TIVE BUSINESS.**

4 Section 7(l) of the Small Business Act (15 U.S.C.
 5 636(l)) is amended—

6 (1) in paragraph (1), by striking subparagraph
 7 (A) and inserting the following:

8 “(A) the term ‘eligible intermediary’ means
 9 a cooperative (as defined in subsection (a)(35));
 10 and”; and

11 (2) in paragraph (4)(G)—

12 (A) by striking “2011, 2012, and 2013”
 13 and inserting “2024 through 2034”; and

14 (B) in clause (ii), by striking
 15 “\$20,000,000” and inserting “\$60,000,000”.

16 **SEC. 6. CDFI EDUCATION AND GUIDANCE ABOUT THE**
 17 **VALUE OF WORKER-OWNED COOPERATIVE**
 18 **BUSINESS.**

19 Section 108(b)(1) of the Riegle Community Develop-
 20 ment and Regulatory Improvement Act of 1994 (12
 21 U.S.C. 4707(b)(1)) is amended—

22 (1) in subparagraph (E)(ii)(II), by striking
 23 “and” at the end;

24 (2) by redesignating subparagraph (F) as sub-
 25 paragraph (G); and

1 (3) by inserting after subparagraph (E) the fol-
 2 lowing:

3 “(F) the provision of education and facili-
 4 tation of services to assist in the establishment
 5 and management of worker-owned cooperative
 6 businesses; and”.

7 **SEC. 7. DEFINITIONS.**

8 In this Act:

9 (1) COVERED AGENCY.—The term “covered
 10 agency” means the following:

11 (A) The Small Business Administration.

12 (B) The Internal Revenue Service.

13 (C) The Department of the Treasury.

14 (D) The Department of Commerce.

15 (E) The Department of Agriculture.

16 (F) The Department of Labor.

17 (2) WORKER-OWNED COOPERATIVE BUSI-
 18 NESS.—The term “worker-owned cooperative busi-
 19 ness” means—

20 (A) any entity that is—

21 (i) organized under a State law relat-
 22 ing to worker cooperatives; and

23 (ii) majority owned or controlled by
 24 employees of such entity; or

1 (B) an “eligible worker-owned coopera-
2 tive”, as such term is defined in section 1042(c)
3 of the Internal Revenue Code of 1986.

○