



An Act Promoting Entrepreneurship Through Employee Ownership

The **Coalition for Worker Ownership and Power (COWOP)** introduces a carefully crafted policy that strengthens the state tax base, as well as the health of local economies across Massachusetts, all while creating new avenues for business ownership: **Opportunity To Own**. This bill is aimed at maximizing small business continuity when owners sell or transition into retirement - a critical emerging need across Massachusetts - and providing employees the life-changing opportunity to co-own their workplaces.

Senate: S305

Sen. Paul Mark

House: H503

Rep. Christopher Worrell

Rep. Sean Garballey

THE BILL

COWOP's **Opportunity To Own (OTO)** bill is designed to help stabilize the Commonwealth's tax base and small business landscape by incentivizing the creation of worker-owned businesses. By facilitating sales of small businesses to existing employees when a business owner transitions out of ownership, local economies can preserve successful businesses, while also gaining the many demonstrated benefits of worker ownership.

PROBLEM

Despite anchoring the economic health of main streets in communities large and small, a majority of MA small businesses have no succession plan in the event of the owner ceasing operations for any reason. This can leave deep negative impacts in our communities. Meanwhile, the pace of retirements is increasing- a phenomenon referred to as a coming "silver tsunami".

The OTO bill allows the owner to realize additional income from the sale, by exempting any qualified sale to employees from state capital gains taxes, for any gains under \$1M. This ensures the bill is targeted specifically at small businesses, and allows local economies to maintain their vitality by providing primary stakeholders a way into running their own business, while circulating their revenue locally.

WHY WORKER OWNERSHIP?

👊 Employees owning the businesses where they work have shown time and again that they improve business resilience and strengthen the communities in which they operate. During the Covid-19 pandemic for example, research showed that worker-owned cooperatives were far less likely to shut down or lay off workers than conventional businesses.

👊 Worker owned businesses provide:

- a pathway to business ownership for entrepreneurs without access to inherited wealth
- increased job satisfaction, workplace democracy, job security and income for the people doing the work

👊 Small businesses often play a key role to anchor economic and civic life in our communities, and worker ownership can allow them to remain open, even thrive in uncertain times.



➞ Get in touch

We encourage all legislators who support strong local economies across Massachusetts to co-sponsor the Opportunity To Own bill, and to speak in its favor at the committee hearing, as well as with leadership. Thank you! For any questions or feedback, don't hesitate to reach out:

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➞ Learn More

COWOP is a statewide network representing worker-owned businesses, grassroots organizations, faith-based groups, technical assistance and capital providers, labor unions and workers centers, and industry organizations at the local and national levels-- all working democratically to grow worker-ownership as an integral component of our Commonwealth's economy.

www.cooperativeMA.org