

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5264

By Delegates Pushkin and Garcia

[Introduced February 05, 2026; referred to the
Committee on Energy and Public Works then the
Judiciary]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
 2 designated §31D-18-1801, §31D-18-1802, §31D-18-1803, §31D-18-1804, and §31D-18-
 3 1805, relating to establishing workers cooperative corporations; providing a short title;
 4 providing legislative findings and purpose; defining terms; requiring certain articles and
 5 conditions for workers cooperative corporations; and providing criteria for their dissolution.

Be it enacted by the Legislature of West Virginia:

ARTICLE 18. COOPERATIVE CORPORATIONS

§31D-18-1801. Short Title.

1 This article is and shall be cited as the West Virginia Workers Cooperative Corporations
 2 Act.

§31D-18-1802. Legislative Findings and Purpose.

1 (a) The purpose of this article is to authorize employee-owned cooperative corporations to
 2 be established when the purpose of the cooperative corporation is to create and maintain
 3 sustainable jobs and build employee wealth and success, to improve the life of its employee-
 4 owners, and establish a business model that by its design is to promote sustainable jobs and
 5 economic activities that are directed to preserving local communities and create cooperations that
 6 focus less on stockholders profits and more on economic viability and preservation of local jobs
 7 and economic prosperity for those who provide services to the cooperation.

8 (b) This article governs the organization and operation of workers cooperative corporations
 9 and authorizes a corporation to elect to designate itself as a workers cooperative in its articles of
 10 incorporation and to authorize the cooperative corporation to apportion and distribute its net
 11 earnings and losses at the time and in the manner specified in the articles of incorporation or
 12 bylaws. Any cooperative may establish itself as a capital account workers cooperative in its
 13 articles or bylaws in which case the entire net book value of the corporation would be reflected in
 14 member capital accounts, one for each member and an unallocated capital account if any as
 15 specified.

16 (c) Any provision of this article that does not conflict with any provision of chapter 31D of
 17 this code, to the extent that provision is applicable to employee-owned cooperative corporations,
 18 as established by this article, shall apply.

§31D-18-1803. Definitions.

1 As used in this article:

2 "Capital account cooperative" is a worker cooperative in which the entire net book value is
 3 reflected in members capital accounts, one for each member, and as unallocated capital account,
 4 if any;

5 "Collective board worker cooperative" means a worker cooperative in which there is only
 6 one class of members consisting of worker-members, all of whom are members of the board;

7 "Patronage" may be measured by the work performed or the services contributed,
 8 including wages earned, number of hours worked, seniority in the cooperative, number of jobs
 9 created in the previous taxable year, or some combination of these measures;

10 "Voting power" means the power to vote for the election of directors at the time any
 11 determination of voting power is made and does not include the right to vote upon the happening
 12 of some condition or event that has not yet occurred; and

13 "Worker cooperative" means a corporation formed under this article that includes a class of
 14 worker-members who are natural persons whose patronage consists of labor contributed to,
 15 personal services performed for, or other work performed for the corporation.

§31D-18-1804. Articles of Incorporation.

1 (a) A worker cooperative organized under the provisions of this article shall make the
 2 following statement in its articles of incorporation or its amended articles of incorporation:

3 "This corporation is a worker cooperative corporation organized under the Business
 4 Corporations Act".

5 (b) A worker cooperative may, in its articles or bylaws, establish itself as a capital account
 6 cooperative.

- 7 on the following:
- 8 (1) Patronage,
- 9 (2) Capital contributions, or
- 10 (3) A combination of patronage and capital contributions.
- 11 (c) A worker cooperative is authorized to include patronage provided by past and current
- 12 members in its distribution of the unallocated capital account.
- 13 (d) The provisions of this section may not apply to any amounts in the indivisible reserve
- 14 account. Any amounts in the indivisible reserve account shall, upon dissolution, be allocated to an
- 15 International Cooperatives Alliance approved national federation or a regional body of this state
- 16 designated in the articles of incorporation or the bylaws.

NOTE: The purpose of this bill is to establish workers cooperatives which are employee-owned corporations created to be operated for the benefit of the employees and the local community; providing guidelines and criteria for their incorporation and a process for their dissolution.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.