

A BILL TO BE ENTITLED

AN ACT

To amend Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships, and associations, so as to enact the “Georgia Limited Worker Cooperative Association Act”; to provide for the formation, operation and dissolution of limited worker cooperative associations; to provide for a short title and definitions; to provide for purposes and powers of limited worker cooperative associations; to provide for articles of organization; to provide for cooperative agreements; to provide for filing of documents by the Secretary of State; to provide for names and the reservation thereof; to provide for registered offices and registered agents and the change thereof; to provide for the powers, duties, and authority of members and managers; to provide for management; to provide for duties; to provide for meetings and notices; to provide for financial matters relating to limited worker cooperative associations; to provide for and regulate events of dissociation, withdrawal, and dissolution; to provide for judicial and administrative dissolution; to provide for filing fees and penalties; to provide for annual registration; to provide for administrative powers of the Secretary of State; to provide for rules and regulations; to provide for construction; to provide an effective date; to provide for severability and the repeal of conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1

The Georgia General Assembly finds that:

(a) the cooperative business ownership model provides an efficient and effective method for persons to transact business, offer, and obtain goods and services, and it is in the best interests of the people of the State of Georgia to promote, foster, and encourage the utilization of cooperatives in appropriate instances;

(b) it is in the best interests of the people of the State of Georgia to expand the provisions of Georgia cooperative law to provide greater direction and flexibility in its provisions and to enable all types of industries and enterprises to avail themselves of the benefits of the worker cooperative form of doing business in accordance with the provisions of this Act;

(c) a worker cooperative has the purpose of creating and maintaining dignified, career building, environmentally friendly jobs and generating intergenerational wealth in order to improve the quality of life and economic security of its worker-members, allow workers' democratic self-management, and promote community and local development in this State;

(d) the purpose of this Act is to create a new business entity better suited for worker cooperatives and multi-stakeholder cooperatives, and to create more visibility and financing options for cooperatives. This Act is intended to provide a definition of worker cooperative for purposes of this Act, and not for purposes of other laws.

SECTION 2

Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships, and associations, is amended by adding a new chapter to read as follows:

“CHAPTER 12

ARTICLE 1

GENERAL PROVISIONS; DEFINITIONS

14-12-100. Short title

This chapter may be cited as the “Georgia Limited Worker Cooperative Association Act.”

14-12-101. Definitions

As used in this chapter, unless the context requires otherwise, the term:

(1) "Candidate" means a worker who is being considered for membership in a worker cooperative, as defined in the cooperative association's articles of organization or cooperative agreement.

(2) "Collective worker cooperative" means a limited worker cooperative association that only has one class of members consisting of worker-members who manage all of the affairs of the limited worker cooperative association. If an association's articles of organization or cooperative agreement provides that it is a collective worker cooperative, then all of the members shall be deemed managers.

(3) "Distribution" means a transfer of money or other property from a limited worker cooperative association to a member because of the member's financial rights or to a transferee of a member's financial rights.

(4) "Investor member" means a person who holds a financial interest in a limited worker cooperative association. An investor member is either not required or not permitted by the articles of organization or cooperative agreement to conduct patronage with the association in the member's capacity as an investor member in order to receive or retain the member's interest.

(5) "Limited worker cooperative association" or "association" means an association organized under this chapter.

(6) “Manager” means any person who is on the board of managers of an association and has the right and authority to manage the business and affairs of the association as provided in the cooperative agreement. Managers may, but need not be, members of the association.

(7) “Managing Member” means any member of an association who is on the board of managing members of the association and has the right and authority to manage the business and affairs of the association as provided in the cooperative agreement.

(8) "Member" means any person who, pursuant to a specific provision of a limited worker cooperative association's articles of organization or cooperative agreement, has the right to vote for the election of a manager or managing member, or possesses any proprietary interests in the limited worker cooperative association.

(9) "Patron member" means a member of a limited worker cooperative association that is required or permitted by the association's articles of organization or cooperative agreement to conduct patronage with an association in the member's capacity as a patron member.

(10) "Patronage" means business transactions between a limited worker cooperative association and a person that entitles the person to receive financial rights based on the value or quantity of business done between the association and the person. The patronage of a patron may be measured by the volume or value, or both, of a patron's purchases of products from, and use of services furnished by, the association, and by volume or value of products and services provided by the patron to the association. The patronage of worker-members may be measured by work performed, including, but not limited to, wages earned, number of hours worked, number of jobs created, pay level, status as a founding worker-member, seniority of the worker in the association, or some combination of these measures in sum or by weighted average.

(11) "Worker cooperative" means a limited worker cooperative association formed under this chapter where all patron members of an association are natural persons whose patronage consists of labor contributed to or other work performed for the limited worker cooperative association.

(12) "Worker" means a natural person contributing labor or services to a worker cooperative.

(13) "Worker-member" means a natural person who is a member of an association formed under this Act whose patronage consists of labor contributed to or other work performed for the limited worker cooperative association.

(14) "Written notice of allocation" is defined as in 26 U.S.C. 1388 or its successor.

ARTICLE 2

FORMATION

14-12-201. Purpose

(a) A limited worker cooperative association is an entity distinct from its members.

(b) A limited worker cooperative association may be organized for any lawful purpose, whether or not for profit.

(c) An association organized as a worker cooperative under this Act does not create a presumption that workers are employees of the association for any purposes.

14-2-202. Powers

Each limited worker cooperative association formed in this state shall have the same powers as any person has to do all things necessary to carry out its purpose, business, and affairs.

14-12-203. Formation

(a) A limited worker cooperative association must be organized by one or more organizers. Organizers need not be members of the association.

(b) To form a limited worker cooperative association, one or more organizers of the association shall deliver or cause to be delivered articles of organization to the Secretary of State for filing and shall supply to the Secretary of State, in such form as the Secretary of State may require, the following information:

(1) The name and address of each organizer;

(2) The street address and county of the association's initial registered office and the name of its initial registered agent at that office; and

(3) The mailing address of the associations' principal place of business.

(c) A limited worker cooperative association is formed when the articles of organization become effective pursuant to Code Section 14-12-206.

(d) The Secretary of State's filing of the articles of organization is conclusive proof that the organizers satisfied all conditions precedent to formation, except in a proceeding by the state to cancel or revoke the formation.

14-12-204. Name

(a) The name of each limited worker cooperative association organized, existing, or subject to the provisions of this Act shall be as set forth in its articles of organization and:

(1) must contain the terms "Limited Worker Cooperative Association", "LWCA", or "L.W.C.A.".

(2) may not contain a word or phrase, or an abbreviation or derivation thereof, the use of which is prohibited or restricted by any other statute of this State unless the restriction has been complied with;

(3) Must be distinguishable on the records of the Secretary of State from the name of any corporation, limited liability company, limited worker cooperative association, or limited partnership; any foreign corporation, foreign limited liability company, or foreign limited partnership having a certificate of authority to transact business in this state; any nonprofit corporation, professional corporation, or professional association, domestic or foreign, on file with the Secretary of State pursuant to this title; or any name reserved or registered under this title; and

(b) This chapter does not control the use of fictitious or trade names. Issuance of a name under this chapter means that the name is distinguishable for filing purposes on the records of the Secretary of State pursuant to paragraph (3) of subsection (a) of this Code section. Issuance of a

limited worker cooperative association name does not affect the commercial availability of the name.

14-12-205. Articles of organization

The articles of organization shall set forth:

(a) the name of the limited worker cooperative association, which name must satisfy the requirements of Code Section 14-2-204;

(b) the purposes for which the limited worker cooperative association is formed, which may be for any lawful purpose;

(c) a statement that the association is a worker cooperative or a collective worker cooperative, if applicable; and

(d) any other provision, not inconsistent with law, for the regulation of the internal affairs of the limited worker cooperative association, including any provisions that, under this Act, are required or permitted to be set out in the cooperative agreement of the limited worker cooperative association.

14-12-206. Filing by the Secretary of State

(a) A signed original and one exact or conformed copy of any document required or permitted to be filed pursuant to this chapter shall be delivered to the Secretary of State; provided, however, that if the document is electronically transmitted, the electronic version of such person's name may be used in lieu of a signature. Unless the Secretary of State finds that the document does not conform to the filing provisions of this chapter, upon receipt of all filing fees and additional information required by law, he or she shall:

(1) Stamp or otherwise endorse his or her official title and the date and time of receipt on both the original and copy;

(2) File the original in his or her office; and

(3) Return the copy to the person who delivered the document to the Secretary of State or the person's representative.

(b) If the Secretary of State refuses to file a document, he or she shall return it to the association or its representative within ten (10) days after the document was delivered, together with a brief written explanation of the reason for his or her refusal.

(c) The Secretary of State's duty to file documents under this chapter is ministerial.

(d) If the Secretary of State finds that any document delivered for filing does not conform to the filing provisions of this chapter at the time such document is delivered to the Secretary of State, such document is deemed to have been filed at the time of delivery (or such later time and date

as is authorized by paragraph (2) of subsection (e) or subsection (f) of this Code section) if the Secretary of State subsequently determines that:

(1) The document as delivered so conforms to the filing provisions of this chapter; or

(2) Within thirty (30) days after notification of nonconformance is given by the Secretary of State to the person who delivered the documents for filing or that person's representative, the documents are brought into conformance.

(e) Except as provided in subsection (d) of this Code section, a document accepted for filing is effective:

(1) At the time of filing on the date it is filed, as evidenced by the Secretary of State's date and time endorsement on the original document; or

(2) At the time specified in the document as its effective time on the date it is filed.

(f) A document may specify a delayed effective time and date, and, if it does so, the document shall become effective at the time and date specified. If a delayed effective date but no effective time is specified, the document shall become effective at the close of business on that date. A delayed effective date for a document may not be later than the ninetieth day after the date on which it is filed.

(g) A certificate attached to a copy of a document filed by the Secretary of State, bearing his or her signature, which may be in facsimile, and the printed or embossed seal of this state, or its electronic equivalent, is prima-facie evidence that the original document has been filed with the Secretary of State.

(h) Notwithstanding the provisions of this chapter, the Secretary of State may authorize the filing of documents by electronic transmission, following the provisions of Chapter 12 of Title 10, the "Uniform Electronic Transactions Act," and the Secretary of State shall be authorized to promulgate such rules and regulations as are necessary to implement electronic filing procedures.

14-12-207. Registered office and registered agent

(a) Each limited worker cooperative association shall continuously maintain in this state:

(1) A registered office which may, but need not, be a place of its business in this state; and

(2) A registered agent for service of process on the association. The address of the business office of the registered agent shall be the same as the address of the registered office referred to in paragraph (1) of this subsection.

(b) A registered agent must be an individual resident of this state, a corporation, or a foreign

corporation having a certificate of authority to transact business in this state.

(c) A limited worker cooperative association may change its registered office or its registered agent, or both, by filing an amendment to its annual registration that sets forth:

(1) The name of the limited worker cooperative association;

(2) The street address and county of its then registered office;

(3) If the address of its registered office is to be changed, the new street address and county of the registered office;

(4) The name of its then registered agent; and

(5) If its registered agent is to be changed, the name of its successor registered agent.

(d) A registered agent of a limited worker cooperative association may resign as such agent by signing and delivering to the Secretary of State for filing a statement of resignation, which may include a statement that the registered office is also discontinued. On or before the date of the filing of the statement of resignation, the registered agent shall deliver or mail a written notice of the registered agent's intention to resign to the association at the most recent mailing address of the association's principal place of business in this state listed in the records of the Secretary of State. The agency appointment is terminated, and the registered office discontinued if so provided, on the earlier of the filing of the association's annual registration or a statement designating a new registered agent and registered office if also discontinued or the thirty-first day after the date on which the statement of resignation was filed.

(e) A registered agent may change the agent's office and the address of the registered office of any limited worker cooperative association of which the agent is the registered agent to another place within this state by filing a statement, as required in subsection (c) of this Code section, setting forth the required information for all associations for which he or she is the registered agent, except that it need be signed only by the registered agent and need not be responsive to paragraph (5) of subsection (c) of this Code section and must recite that a copy of the statement has been mailed to the association at the most recent mailing address of the association's principal place of business listed on the records of the Secretary of State.

(f) Whenever a limited worker cooperative association shall fail to appoint or maintain a registered agent in this state or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the Secretary of State shall be an agent of such association upon whom any process, notice, or demand may be served. Service on the Secretary of State of any such process, notice, or demand shall be made by delivering to and leaving with him or her or with any other person or persons designated by the Secretary of State to receive such service two copies of such process, notice, or demand. The plaintiff or his or her attorney shall certify in

writing to the Secretary of State that the association failed either to maintain a registered office or appoint a registered agent in this state and that he or she has forwarded by registered or certified mail or statutory overnight delivery such process, notice, or demand to the most recent registered office listed on the records of the Secretary of State and that service cannot be effected at such office.

(g) The Secretary of State shall keep a record of all processes, notices, and demands served upon him or her under this Code section and shall record therein the time of such service and his or her action with reference thereto.

(h) This Code section does not prescribe the only means, or necessarily the required means, of serving any process, notice, or demand required or permitted by law to be served on a limited worker cooperative association.

14-12-208. Amendment of articles of organization; restatement

(a) A limited worker cooperative association amending its articles of organization shall deliver to the Secretary of State for filing articles of amendment setting forth:

(1) The name of the limited worker cooperative association;

(2) The date the articles of organization were filed;

(3) The amendment to the articles of organization; and

(4) The effective date and time of the amendment if later than the date and time the articles of amendment are filed.

(b) The articles of organization may be amended in any and as many respects as may be desired so long as the articles of organization as amended contain only provisions that may be lawfully contained in articles of organization at the time of making the amendment.

(c) Articles of organization may be restated to include only those provisions then in effect, or amended and so restated, at any time. Restated articles of organization shall be delivered to the Secretary of State for filing and shall be specifically designated as such in the heading.

ARTICLE 3

ORGANIZATION; COOPERATIVE AGREEMENTS

14-12-301. Organization of limited worker cooperative association

(a) After a limited worker cooperative association is formed:

(1) if initial managers or managing members are named in the articles of organization, the initial managers or managing members shall hold an organizational meeting to adopt the initial

cooperative agreement and carry on any other business necessary or proper to complete the organization of the association; or

(2) if initial managers or managing members are not named in the articles of organization, the organizers shall designate the initial managers or managing members and call a meeting of the initial managers or managing members to adopt the initial cooperative agreement and carry on any other business necessary or proper to complete the organization of the association.

(b) Unless the articles of organization otherwise provide, the initial managers or managing members may cause the limited worker cooperative association to accept members, including those necessary for the association to begin business.

(c) Initial managers need not be members.

(d) An initial manager or managing member serves until a successor is elected and qualified at a members' meeting or the manager or managing member is removed, resigns, is adjudged incompetent, or dies.

14-12-302. Cooperative agreement.

(a) A cooperative agreement shall include:

(1) a statement of the capital structure of the limited worker cooperative association;

(2) the classes or other types of members' interests and the relative rights, preferences, privileges, and restrictions granted to or imposed upon each class or other type of member's interest, including:

(A) a statement concerning the manner in which profits and losses are allocated and distributions are made among patron members and, if investor members are authorized, the manner in which profits and losses are allocated and how distributions are made among investor members and between patron members and investor members;

(B) a statement designating voting and other governance rights of each class or other type of members' interests and, if relevant, investor members, including which members have voting power and any restriction on voting power;

(3) a statement of the method for admission of members;

(4) a statement that a member's interest is transferable, if it is to be transferable, and a statement of the conditions upon which it may be transferred;

(5) a statement concerning:

(A) whether persons that are not members but conduct business with the association may be permitted to share in allocations of profits and losses and receive distributions; and

(B) the manner in which profits and losses are allocated and distributions are made with respect to those persons; and

(6) a statement of the number and terms of directors or the method by which the number and terms are determined; and

(7) a statement addressing members' contributions.

(b) A cooperative agreement may contain any other provision for managing and regulating the affairs of the association.

(c) The cooperative agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

(d) A limited worker cooperative association is bound by and may enforce the cooperative agreement, whether or not the association has itself manifested assent to the cooperative agreement.

(e) A person that becomes a member of a limited worker cooperative association is deemed to assent to the cooperative agreement.

(f) A cooperative agreement may be entered into before, after, or at the time of filing of articles of organization and, whether entered into before, after, or at the time of the filing, may be made effective as of the time of formation of the limited worker cooperative association or as of the time or date provided in the cooperative agreement.

ARTICLE 4

MEMBERS; MANAGEMENT

14-12-401. Members

(a) Except as provided in subsection (b), an association formed under this Act may include multiple classes of members whose rights and proprietary interests shall be determined by the articles of organization or cooperative agreement. The articles of organization or cooperative agreement must authorize at least one class of voting members.

(b) Collective worker cooperatives shall only have one class of members consisting of worker-members.

(c) To begin business, a limited worker cooperative association must have at least three (3) members unless the sole member is a cooperative.

(d) A person becomes a member:

(1) as provided in the articles of organization or cooperative agreement; or

(2) with the consent of all the members.

(e) A member, solely by reason of being a member, may not act for or bind the limited worker cooperative association.

(f) Unless the articles of organization provide otherwise, a debt, obligation, or other liability of a limited worker cooperative association is solely that of the association and is not the debt, obligation, or liability of a member solely by reason of being a member.

(g) The total voting membership body shall constitute the assembly of the limited worker cooperative association.

(h) The assembly shall meet at least annually at a time provided in the articles of organization or cooperative agreement or set by the board of managers or managing members not inconsistent with the articles of organization and cooperative agreement.

(i) Failure to hold an annual assembly meeting does not affect the validity of any action by the limited worker cooperative association.

(j) A limited worker cooperative association shall notify each member of the time, date, and place of a members' meeting at least ten (10) and not more than sixty (60) days before the meeting; except that, if the notice is of a meeting of the members in one (1) or more districts or classes of members, the notice shall be given only to members in those districts or classes.

14-12-402. Voting.

(a) The articles of organization or cooperative agreement may allocate voting power among patron members on the basis of one or a combination of the following:

(1) one member, one vote;

(2) if a member is a cooperative, the number of its members; or

(3) on the basis of use or patronage unless the association is a worker cooperative.

(b) If the articles of organization or cooperative agreement allocate voting power to patron members on the basis of use or patronage and a patron member would be denied a vote because the patron member did not conduct patronage with the association during the period on which the allocation of voting power is determined, the articles of organization or cooperative agreement must provide that the patron member shall nevertheless be allocated a vote equal to at least the minimum voting power allocated to patron members who conducted patronage with the association during the period.

(c) The articles of organization or cooperative agreement may provide for the allocation of member voting power by districts or class or any combination thereof.

(d) The voting power of members who are not patron members may be limited or eliminated.

(e) At no time shall worker-members have less than a majority of the total voting power of a limited worker cooperative association.

14-12-403. Board of managers or managing members.

(a) A limited worker cooperative association must have a board of managers or board of managing members of at least three (3) individuals, unless the limited worker cooperative

association is a collective worker cooperative. Subsections (b) through (e) do not apply to collective worker cooperatives.

(b) The affairs of a limited worker cooperative association must be managed by, or under the direction of, the board of managers or board of managing members unless the board delegates those duties to the assembly of the worker limited cooperative association. The board may adopt policies and procedures that do not conflict with the articles of organization, cooperative agreement, or this Act. A board of managers may include both managers and members, while a board of managing members shall only include members.

(c) The cooperative agreement may set forth term limits, provisions for removal and replacement, categories of management decisions that require member approval, and other requirements applicable to the board of managers or board of managing members and the management of the association.

(d) An individual is not an agent for a limited worker cooperative association solely by being a manager or managing member.

(e) A debt, obligation, or other liability of a limited worker cooperative association is solely that of the association and is not a debt, obligation, or liability of a manager or managing member solely by reason of being a manager or managing member. An individual is not personally liable, directly or indirectly, for an obligation of an association solely by reason of being a manager or managing member.

14-12-404. Assembly.

(a) A limited worker cooperative association, other than a collective worker cooperative, must have an assembly as constituted by the body of voting members.

(b) An individual is not an agent for a limited worker cooperative association solely by being a member of the assembly.

(c) A debt, obligation, or other liability of a limited worker cooperative association is solely that of the association and is not a debt, obligation, or liability of a member of the assembly solely by reason of being a voting member. An individual is not personally liable, directly or indirectly, for an obligation of an association solely by reason of being a voting member.

14-12-405. Expulsion

(a) No member may be expelled or suspended, and no membership or memberships may be terminated or suspended, except according to procedures satisfying the requirements of this section. An expulsion, termination, or suspension not in accord with this section shall be void and without effect.

(b) Any expulsion, suspension, or termination must be done in good faith and in a fair and reasonable manner. Any procedure that conforms to the requirements of subdivision (c) or (d) is fair and reasonable, but a court may also find other procedures to be fair and reasonable when the full circumstances of the suspension, termination, or expulsion are considered.

(c) A procedure is fair and reasonable if all of the following occur:

(1) The provisions of the procedure have been set forth in the articles of organization or cooperative agreement, or copies of such provisions are sent annually to all the members as required by the articles of organization or cooperative agreement.

(2) It provides the giving of fifteen (15) days' prior notice of the expulsion, suspension, or termination and the reasons therefor.

(3) It provides an opportunity for the member to be heard, orally or in writing, not less than five (5) days before the effective date of the expulsion, suspension, or termination by a person or body authorized to decide that the proposed expulsion, termination, or suspension not take place.

(d) Any notice required under this section may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the members shown on the association's records.

(e) This section governs only the procedures for expulsion, suspension, or termination and not the substantive grounds therefor. An expulsion, suspension, or termination based upon substantive grounds which violate contractual or other rights of the member or are otherwise unlawful is not made valid by compliance with this section.

(f) A member who is expelled or suspended or whose membership is terminated shall be liable for any charges incurred, services or benefits actually rendered, dues, assessments, or fees incurred before expulsion, suspension, or termination or arising from contract or otherwise.

SECTION 5

FINANCE

14-12-501. Earnings and losses.

(a) The net earnings and losses of an association formed under this chapter shall be apportioned and distributed in such manner as the articles of organization or cooperative agreement shall specify. Net earnings declared as patronage allocations with respect to a period of time, and paid or credited to patron members, shall be apportioned among the patron members in accordance with the ratio which each patron member's patronage during the applicable time period bears to the total patronage by all patron members during that period.

(b) The apportionment, distribution, and payment of net earnings required by subsection (a) of this Section may be in cash, credits, or written notices of allocation issued by the association.

14-12-502. System of internal capital accounts.

(a) A limited worker cooperative association may establish through its articles of organization or cooperative agreement a system of internal capital accounts to reflect the book value and to determine the redemption price of membership interests and written notices of allocation.

(b) The articles of organization or cooperative agreement of a limited worker cooperative association may permit the periodic redemption of written notices of allocation and shall provide

for recall and redemption of membership interests upon termination of membership in the association.

(c) An association may allocate a portion of retained net earnings and net losses to an unallocated capital account. Earnings assigned to the unallocated capital account may be used for any and all purposes as determined by the board of managers or managing members.

SECTION 6

DISSOLUTION

14-12-601. Dissolution and termination

A limited worker cooperative association may be dissolved by (1) a two-thirds vote of the assembly, (2) a majority vote of the assembly if so stated in the cooperative agreement, or (3) administratively. Upon dissolution of its business and activities the association must be wound up and terminated in the manner provided under the Limited Liability Company Act for a limited liability company.

14-12-602. Administrative Dissolution.

Judicial or administrative dissolution of a limited worker cooperative association shall be performed in the manner provided under the Limited Liability Company Act for a limited liability company.

SECTION 7

MISCELLANEOUS

14-12-701. Annual registration

(a) Each limited worker cooperative association shall deliver to the Secretary of State for filing an annual registration that sets forth:

(1) The name of the association;

(2) The street address and county of its registered office and the name of its registered agent at that office in this state;

(3) The mailing address of its principal place of business; and

(4) Any additional information that is necessary to enable the Secretary of State to carry out the provisions of this chapter.

(b) Information in the annual registration must be current as of the date the annual registration is executed on behalf of the association.

(c) The first annual registration must be delivered to the Secretary of State between January 1 and April 1, or such other date as the Secretary of State may specify by rules or regulations, of the year following the calendar year in which the association was formed. Subsequent annual registrations must be delivered to the Secretary of State between January 1 and April 1, or such other date as the Secretary of State may specify by rules and regulations, of the following calendar years.

(d) If an annual registration does not contain the information required by this Code section, the Secretary of State shall promptly notify the association in writing and return the registration to it for correction. If the registration is corrected to contain the information required by this Code section and delivered to the Secretary of State within thirty (30) days after the date of notice, it is deemed to be timely filed.

14-12-702. Administrative powers of Secretary of State

The Secretary of State shall have the power and authority reasonably necessary to enable him or her to administer this chapter efficiently and to perform the duties imposed upon him or her pursuant to this chapter, including, without limitation, the power and authority to employ from time to time such additional personnel as in his or her judgment are required for such purposes.

14-12-703. Rules and regulations

The Secretary of State may promulgate such rules and regulations, not inconsistent with the provisions of this chapter, as are incidental to and necessary for the implementation and enforcement of such provisions of this chapter as are administered by the Secretary of State. Such rules and regulations shall be promulgated in accordance with Chapter 13 of Title 50, the "Georgia Administrative Procedure Act."

14-12-704. Laws governing chapter; limited worker cooperative associations

(a) The rule that statutes in derogation of the common law are to be strictly construed shall have no application to this chapter.

(b) It is the policy of this state with respect to limited worker cooperative associations to give maximum effect to the principle of freedom of contract and to the enforceability of cooperative agreements.

(c) Unless displaced by particular provisions of this chapter, the principles of law and equity supplement this chapter.

(d) If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provision or application. To this end, the provisions of this chapter are severable.

(e) A limited worker cooperative association may conduct its business, carry on its operations and have and exercise the powers granted by this chapter in any state, territory, district, or possession of the United States or in any foreign country.

(f) The laws of this state relating to establishment and regulation of professional services are amended and superseded to the extent such laws are inconsistent as to form of organization with the provisions of this chapter and are deemed amended to permit the provision of professional services within this state by limited worker cooperative associations.

(g) Nothing in this chapter is intended to restrict or limit in any manner the authority and duty of any regulatory or other body licensing professionals within this state to license individuals rendering professional services or to regulate the practice of any profession that is within the jurisdiction of the regulatory or other body licensing such professionals within this state, notwithstanding that the person is a member, manager, or employee of a limited worker cooperative association and rendering the professional services or engaging in the practice of the profession through a limited worker cooperative association.

(h) The personal liability of a member of a limited worker cooperative association to any person or in any action or proceeding for the debts, obligations, or liabilities of the association, or for the acts or omissions of other members, managers, employees, or agents of the association, shall be governed solely and exclusively by this chapter and the laws of this state. Whenever a conflict arises between the laws of this state and the laws of any other state with regard to the liability of members of a limited worker cooperative association for the debts, obligations, and liabilities of the association or for the acts or omissions of other members, managers, employees, or agents of the association, this state's laws shall be deemed to govern in determining such liability.

(i) The provisions of this chapter shall determine the rights and obligations of a limited worker cooperative association organized under this chapter in commerce with foreign nations and among the several states to the extent permitted by law.

(j) A member of a limited worker cooperative association is not a proper party to a proceeding by or against the association, solely by reason of being a member of the association, except where the object of the proceeding is to enforce a member's right against or liability to the association.

(k) The General Assembly has power to amend or repeal all or part of this chapter at any time, and all limited worker cooperative associations subject to this chapter are governed by the amendment or repeal.

(l) Each provision of this chapter shall have independent legal significance.

14-12-705. Conversion

A limited worker cooperative association may convert into any form of entity permitted if the board of managers or managing members of the limited worker cooperative association adopts a plan of conversion and the assembly adopts such a plan by a two-thirds majority vote. In the case of a collective worker cooperative, a limited worker cooperative association may convert into any form of entity permitted if the members adopt a plan by a two-thirds majority vote.

14-12-706. Exemption from securities laws

Any interest, patronage refund, per unit retain certificate, or evidence of membership issued or sold by a limited worker cooperative association is exempt from the registration requirements of the Georgia Uniform Securities Act of 2008. Such interests, patronage refunds, per unit retain certificates, or evidence of membership may be sold lawfully by the issuer or its members or salaried employees without the necessity of being registered as a broker or dealer under the Georgia Uniform Securities Act of 2008.

14-12-707. Application of the Limited Liability Company Act.

The Limited Liability Company Act applies to limited worker cooperative associations, and they shall enjoy the powers and privileges and be subject to the duties, restrictions, and liabilities of limited liability companies, except where inconsistent with the letter and purpose of this chapter. This chapter shall take precedence in the event of any conflict with the provisions of the Limited Liability Company Act or other laws.

14-12-708. Effective date

This chapter shall become effective on January 1, 2023.