

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

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 passage of the accompanying bill:

An Act relative to eligibility for cooperative housing corporations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Barry R. Finegold	17th Essex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1224 OF 2007-2008.]

The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine
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AN ACT RELATIVE TO ELIGIBILITY FOR COOPERATIVE HOUSING CORPORATIONS.

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 4 of chapter 157B of the General Laws, as appearing in the 2006 Official
2 Edition, is hereby amended by inserting after the definition “by-laws” the following definition:-

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4 “community of interest”, a cooperative corporation or corporation organized as a cooperative under the
5 general laws for the purpose of providing or furnishing residential housing for a communal purpose;
6 provided however, that a statement of communal purpose, in sufficient detail so that a reasonable
7 person may understand such purpose, shall be included in the original articles of organization of such
8 corporation or added to the articles of such corporation as set forth in clause (g) of section 10 by
9 amendment approved by 60 per cent of the stockholders.

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11 SECTION 2. Section 10 of chapter 157B, as so appearing, is hereby amended by striking out clause (g)
12 and inserting in place thereof the following clause:-

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14 (g) standards for eligibility to become a stockholder, provided that such standards reasonably
15 relate to: (i) the capacity to satisfy the stockholder’s financial and maintenance obligations with respect
16 to the property; (ii) the creation of the housing cooperative as a community of interest, provided
17 however, that a detailed statement of the communal purpose and eligibility standards of the community

18 of interest shall be contained within the articles of organization of the corporation; and/or (iii) standards
19 as a provider of affordable housing. Standards for eligibility set forth under clauses (i), (ii) and (iii) shall
20 not be discriminatory under law. Denial of a party seeking to become a stockholder shall be in writing,
21 and denial shall include the grounds for denial and specify which eligibility standards the stockholder
22 applicant failed to meet. This act shall govern cooperative housing arrangements formed under this
23 chapter or otherwise.

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25 SECTION 3. Within 90 days of the effective date of this act, the state secretary shall send written notice
26 to each corporation organized under chapters 156D or 157B of the General Laws of the requirement for
27 it to file, as applicable, articles of organization that contain the information requires in subclause (ii) of
28 clause (g) of section 10 of chapter 157B of the General Laws.

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