

**HOUSE . . . . . No. 02790**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Eugene L. O'Flaherty*

*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:
<i>Eugene L. O'Flaherty</i>	<i>2nd Suffolk</i>
<i>Nick Collins</i>	<i>4th Suffolk</i>

# HOUSE . . . . . No. 02790

By Mr. O'Flaherty of Chelsea, a petition (accompanied by bill, House, No. 2790) of Collins and O'Flaherty relative to eligibility for cooperative housing corporations Joint Committee on Housing.

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

### 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 2008 Official  
2 Edition, is hereby amended by inserting after the definition of “by-laws” the following  
3 definition:-  
4 “Community of interest”, a cooperative corporation or corporation organized as a cooperative  
5 under the general laws for the purpose of providing or furnishing residential housing for a  
6 communal purpose; provided however, that a statement of communal purpose, in sufficient detail  
7 so that a reasonable person may understand such purpose, shall be included in the original  
8 articles of organization of such corporation or added to the articles of such corporation as set  
9 forth in subsection (g) of section 10 by amendment approved by 60 per cent of the stockholders.

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

12 (g) standards for eligibility to become a stockholder, provided that such standards  
13 reasonably relate to: (1) the capacity to satisfy the stockholder's financial and maintenance  
14 obligations with respect to the property; (2) the creation of the housing cooperative as a  
15 community of interest, provided however, that a detailed statement of the communal purpose and  
16 eligibility standards of the community of interest shall be contained within the articles of  
17 organization of the corporation; and/or (3) standards as a provider of affordable housing. Such  
18 standards for eligibility shall not be discriminatory under law. Denial of a party seeking to  
19 become a stockholder shall be in writing, and denial shall include the grounds for denial and  
20 specify which eligibility standards the stockholder applicant failed to meet. This act shall govern  
21 cooperative housing arrangements formed under this chapter or otherwise.

22 SECTION 3. Within 90 days of the effective date of this act, the state secretary shall send  
23 written notice to each corporation organized under chapters 156D or 157B of the requirement for  
24 it to file, as applicable, articles of organization that contain the information required in paragraph  
25 (2) of subsection (g) of section 10 of chapter 157B of the General Laws.