SENATE DOCKET, NO. 1038 FILED ON: 1/20/2011

SENATE . . . . . No. 593

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:

An Act relative to eligibility for cooperative housing corporations..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Barry R. Finegold	☐ *[District]* ☐
Bruce E. Tarr	☐ *[District]* ☐
James J. Lyons, Jr.	*18th Essex*

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SENATE . . . . . No. 593

By Mr. Finegold, a petition (accompanied by bill, Senate, No. 593) of Barry R. Finegold, Bruce E. Tarr and James J. Lyons, Jr. for legislation relative to eligibility for cooperative housing corporations. Housing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *3686* OF 2009-2010.]

The Commonwealth of Massachusetts

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:

SECTION 1. Section 4 of chapter 157B of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by inserting after the definition of "by-laws" the following definition:-

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

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

(g) standards for eligibility to become a stockholder, provided that such standards reasonably relate to: (1) the capacity to satisfy the stockholder's financial and maintenance obligations with respect to the property; (2) the creation of the housing cooperative as a community of interest, provided however, that a detailed statement of the communal purpose and eligibility standards of the community of interest shall be contained within the articles of 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
23 send written notice to each corporation organized under chapters 156D or 157B of the
24 requirement for it to file, as applicable, articles of organization that contain the information
25 required in paragraph (2) of subsection (g) of section 10 of chapter 157B of the General Laws.