

HOUSE No. 3686

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

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
2 Official Edition, is hereby amended by inserting after the definition “by-laws” the following
3 definition:-

4 “community of interest”, a cooperative corporation or corporation organized as a
5 cooperative under the general laws for the purpose of providing or furnishing residential housing
6 for a communal purpose; provided however, that a statement of communal purpose, in sufficient
7 detail 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 clause (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 clause (g) and inserting in place thereof the following clause:-

12 (g) standards for eligibility to become a stockholder, provided that such standards
13 reasonably relate to: (i) the capacity to satisfy the stockholder’s financial and maintenance

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

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