

**§1763. Group equity cooperative**

A cooperative affordable housing corporation may organize as a group equity cooperative for the purpose of providing and preserving housing for classes of low-income or moderate-income households at the time that the person or household purchases a membership. A group equity cooperative must meet the following requirements. [PL 2023, c. 513, §6 (NEW).]

**1. Interest does not accrue equity.** The articles of incorporation must require that cooperative interests may not be sold for more than the original par value. The original par value may not exceed \$100.

[PL 2023, c. 513, §6 (NEW).]

**2. Maintenance of affordability.** A cooperative affordable housing corporation, once organized under this section, may not reorganize as other than a group equity cooperative without first dissolving. [PL 2023, c. 513, §6 (NEW).]

**3. Uphold public purpose.** A group equity cooperative may not sell all or substantially all of its assets if the sale is intended to circumvent the purpose of this section.

[PL 2023, c. 513, §6 (NEW).]

**4. Right to repurchase.** The articles of incorporation must require that the cooperative affordable housing corporation has the first right to repurchase a member's cooperative interest.

[PL 2023, c. 513, §6 (NEW).]

**5. No capital distribution.** The articles of incorporation must require that there is no distribution of capital to a member in the form of dividends or any additional interest in the cooperative affordable housing corporation.

[PL 2023, c. 513, §6 (NEW).]

**6. Distribution upon dissolution.** The articles of incorporation must require that upon dissolution of the cooperative affordable housing corporation any assets remaining after retirement of corporate debts and distribution to members must be distributed to a charitable organization described in the United States Internal Revenue Code of 1986, Section 501(c)(3), as amended, a public agency or another limited equity cooperative whose formula for determining transfer value is no less restrictive than that of the cooperative affordable housing corporation being dissolved.

[PL 2023, c. 513, §6 (NEW).]

**7. Sublease limitations.** The articles of incorporation must require that a sublease of a unit may not require monthly payments by the sublessee in excess of 100% of the monthly payments for the unit required in the proprietary lease.

[PL 2023, c. 513, §6 (NEW).]

**8. Minimum occupancy requirement.** At least 80% of the occupied units of a group equity cooperative must be occupied by members.

[PL 2023, c. 513, §6 (NEW).]

**9. Residents only.** Voting authority may not be assigned to nonresidents.

[PL 2023, c. 513, §6 (NEW).]

**SECTION HISTORY**

PL 2023, c. 513, §6 (NEW).

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