

HOUSE BILL 44

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HB 600/97 - ECM

1998 Regular Session
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(PRE-FILED)

By: **Delegates Kagan, D. Davis, Goldwater, and Harkins**

Requested: July 15, 1997

Introduced and read first time: January 14, 1998

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: April 8, 1998

CHAPTER _____

1 AN ACT concerning

2 **Condominiums, Homeowners Associations, and Cooperatives - No-Impact**
3 **Home-Based Businesses**

4 FOR the purpose of ~~providing that prohibiting a certain provision in~~ a recorded
5 covenant or restriction, declaration, bylaw, or rule of a condominium, ~~or~~
6 homeowners association, or ~~in the articles of incorporation, bylaws, or~~
7 ~~proprietary leases of a cooperative housing corporation may not prohibit from~~
8 ~~being construed to prohibit certain~~ no-impact home-based businesses;
9 providing that a condominium, homeowners association, or cooperative housing
10 corporation may restrict or prohibit certain no-impact home-based businesses
11 under certain circumstances; providing that the operation of a no-impact
12 home-based business is a certain activity; authorizing condominiums ~~and,~~
13 homeowners associations, ~~and cooperative housing corporations~~ to require
14 no-impact home-based businesses to pay certain fees under certain
15 circumstances; ~~authorizing condominiums, homeowners associations, and~~
16 ~~cooperative housing corporations to require a certain notice from certain~~
17 ~~no-impact home-based businesses; authorizing condominiums, homeowners~~
18 ~~associations, and cooperative housing corporations to adopt certain rules;~~
19 defining a certain term; ~~providing for the application of this Act;~~ and generally
20 relating to no-impact home-based businesses in condominiums, homeowners
21 associations, and cooperative housing corporations.

22 BY renumbering

23 Article - Corporations and Associations

24 Section 5-6B-01(o), (p), and (q), respectively

25 to be Section 5-6B-01(p), (q), and (r), respectively

1 Annotated Code of Maryland
2 (1993 Replacement Volume and 1997 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article - Real Property
5 Section 11-111.1 and 11B-111.1
6 Annotated Code of Maryland
7 (1996 Replacement Volume and 1997 Supplement)

8 BY adding to
9 Article - Corporations and Associations
10 Section 5-6B-01(o) and 5-6B-18.1
11 Annotated Code of Maryland
12 (1993 Replacement Volume and 1997 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That Section(s) 5-6B-01(o), (p), and (q), respectively, of Article -
15 Corporations and Associations of the Annotated Code of Maryland be renumbered to
16 be Section(s) 5-6B-01(p), (q), and (r), respectively.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
18 read as follows:

19 **Article - Real Property**

20 11-111.1.

21 (a) (1) In this section, the following words have the meanings indicated.

22 (2) "Day care provider" means the adult who has primary responsibility
23 for the operation of a family day care home.

24 (3) "Family day care home" means a unit registered under Title 5,
25 Subtitle 5 of the Family Law Article.

26 (4) "NO-IMPACT HOME-BASED BUSINESS" MEANS A BUSINESS THAT:

27 (I) IS CONSISTENT WITH THE RESIDENTIAL CHARACTER OF THE
28 DWELLING UNIT;

29 (II) IS SUBORDINATE TO THE USE OF THE DWELLING UNIT FOR
30 RESIDENTIAL PURPOSES AND REQUIRES NO EXTERNAL MODIFICATIONS THAT
31 DETRACT FROM THE RESIDENTIAL APPEARANCE OF THE DWELLING UNIT;

32 (III) USES NO EQUIPMENT OR PROCESS THAT CREATES NOISE,
33 VIBRATION, GLARE, FUMES, ODORS, OR ELECTRICAL OR ELECTRONIC
34 INTERFERENCE DETECTABLE BY NEIGHBORS OR THAT CAUSES AN INCREASE OF

1 COMMON EXPENSES THAT CAN BE SOLELY AND DIRECTLY ATTRIBUTABLE TO A
2 NO-IMPACT HOME-BASED BUSINESS; AND

3 (IV) DOES NOT INVOLVE USE, STORAGE, OR DISPOSAL OF ANY
4 GROUPING OR CLASSIFICATION OF MATERIALS THAT THE UNITED STATES
5 SECRETARY OF TRANSPORTATION OR THE STATE OR ANY LOCAL GOVERNING BODY
6 DESIGNATES AS A HAZARDOUS MATERIAL.

7 (b) (1) ~~This section does~~ THE PROVISIONS OF THIS SECTION RELATING TO
8 FAMILY DAY CARE HOMES DO not apply to a condominium that is limited to housing
9 for older persons, as defined under the federal Fair Housing Act.

10 (2) THE PROVISIONS OF THIS SECTION RELATING TO NO-IMPACT
11 HOME-BASED BUSINESSES DO NOT APPLY TO A CONDOMINIUM THAT HAS ADOPTED,
12 PRIOR TO JULY 1, 1999, PROCEDURES IN ACCORDANCE WITH ITS COVENANTS,
13 DECLARATION, OR BYLAWS FOR THE REGULATION OR PROHIBITION OF NO-IMPACT
14 HOME-BASED BUSINESSES.

15 (c) (1) Subject to the provisions of subsections (d) and (e)(1) of this section, a
16 recorded covenant or restriction, a provision in a declaration, or a provision of the
17 bylaws or rules of a condominium that prohibits or restricts commercial or business
18 activity in general, but does not expressly apply to family day care homes OR
19 NO-IMPACT HOME-BASED BUSINESSES, may not be construed to prohibit or restrict:

20 (i) The establishment and operation of family day care homes OR
21 NO-IMPACT HOME-BASED BUSINESSES; or

22 (ii) Use of the roads, sidewalks, and other common elements of the
23 condominium by users of the family day care home.

24 (2) Subject to the provisions of subsections (d) and (e)(1) of this section,
25 the operation of a family day care home OR NO-IMPACT HOME-BASED BUSINESS shall
26 be:

27 (i) Considered a residential activity; and

28 (ii) A permitted activity.

29 (d) (1) (i) Subject to the provisions of paragraphs (2) and (3) of this
30 subsection, a condominium may include in its declaration, bylaws, or rules and
31 restrictions a provision expressly prohibiting the use of a unit as a family day care
32 home OR NO-IMPACT HOME-BASED BUSINESS.

33 (ii) A provision described under subparagraph (i) of this paragraph
34 expressly prohibiting the use of a unit as a family day care home OR NO-IMPACT
35 HOME-BASED BUSINESS shall apply to an existing family day care home OR
36 NO-IMPACT HOME-BASED BUSINESS in the condominium.

37 (2) A provision described under paragraph (1)(i) of this subsection
38 expressly prohibiting the use of a unit as a family day care home OR NO-IMPACT

1 HOME-BASED BUSINESS may not be enforced unless it is approved by a simple
2 majority of the total eligible voters of the condominium under the voting procedures
3 contained in the declaration or bylaws of the condominium.

4 (3) If a condominium includes in its declaration, bylaws, or rules and
5 restrictions, a provision prohibiting the use of a unit as a family day care home OR
6 NO-IMPACT HOME-BASED BUSINESS, it shall also include a provision stating that the
7 prohibition may be eliminated and family day care homes OR NO-IMPACT
8 HOME-BASED BUSINESSES may be approved by a simple majority of the total eligible
9 voters of the condominium under the voting procedures contained in the declaration
10 or bylaws of the condominium.

11 (4) If a condominium includes in its declaration, bylaws, or rules and
12 restrictions a provision expressly prohibiting the use of a unit as a family day care
13 home OR NO-IMPACT HOME-BASED BUSINESS, the prohibition may be eliminated
14 and family day care OR NO-IMPACT HOME-BASED BUSINESS ACTIVITIES may be
15 permitted by the approval of a simple majority of the total eligible voters of the
16 condominium under the voting procedures contained in the declaration or bylaws of
17 the condominium.

18 (e) A condominium may include in its declaration, bylaws, or rules and
19 restrictions a provision that:

20 (1) Regulates the number or percentage of family day care homes
21 operating in the condominium, provided that the percentage of family day care homes
22 permitted may not be less than 7.5 percent of the total units of the condominium;

23 (2) Requires day care providers to pay on a pro rata basis based on the
24 total number of family day care homes operating in the condominium any increase in
25 insurance costs of the condominium that are solely and directly attributable to the
26 operation of family day care homes in the condominium; and

27 (3) Imposes a fee for use of common elements in a reasonable amount not
28 to exceed \$50 per year on each family day care home OR NO-IMPACT HOME-BASED
29 BUSINESS which is registered and operating in the condominium.

30 (f) (1) If the condominium regulates the number or percentage of family day
31 care homes under subsection (e)(1) of this section, in order to assure compliance with
32 the regulation, the condominium may require residents to notify the condominium
33 before opening a family day care home.

34 (2) THE CONDOMINIUM MAY REQUIRE RESIDENTS TO NOTIFY THE
35 CONDOMINIUM BEFORE OPENING A NO-IMPACT HOME-BASED BUSINESS.

36 (g) (1) A day care provider in a condominium:

37 (i) Shall obtain the liability insurance described under §§ 19-106
38 and 19-202 of the Insurance Article in at least the minimum amount described under
39 that statute; and

1 (ii) May not operate without the liability insurance described under
2 item (i) of this paragraph.

3 (2) A condominium may not require a day care provider to obtain
4 insurance in an amount greater than the minimum amount required under
5 paragraph (1) of this subsection.

6 (h) ~~(1) EXCEPT AS PROVIDED IN SUBSECTION (D)(1)(I) OF THIS SECTION AND~~
7 ~~PARAGRAPH (2) OF THIS SUBSECTION, A RECORDED COVENANT OR RESTRICTION, A~~
8 ~~PROVISION IN A DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A~~
9 ~~CONDOMINIUM MAY NOT PROHIBIT A NO-IMPACT HOME-BASED BUSINESS.~~

10 ~~(2)~~ A CONDOMINIUM MAY RESTRICT OR PROHIBIT A NO-IMPACT
11 HOME-BASED BUSINESS IN ANY COMMON ELEMENTS.

12 (I) To the extent that this section is inconsistent with any other provision of
13 this subtitle, this section shall take precedence over any inconsistent provision.

14 11B-111.1.

15 (a) (1) In this section, the following words have the meanings indicated.

16 (2) "Day care provider" means the adult who has primary responsibility
17 for the operation of a family day care home.

18 (3) "Family day care home" means a unit registered under Title 5,
19 Subtitle 5 of the Family Law Article.

20 (4) "NO-IMPACT HOME-BASED BUSINESS" MEANS A BUSINESS THAT:

21 (I) IS CONSISTENT WITH THE RESIDENTIAL CHARACTER OF THE
22 DWELLING UNIT;

23 (II) IS SUBORDINATE TO THE USE OF THE DWELLING UNIT FOR
24 RESIDENTIAL PURPOSES AND REQUIRES NO EXTERNAL MODIFICATIONS THAT
25 DETRACT FROM THE RESIDENTIAL APPEARANCE OF THE DWELLING UNIT;

26 (III) USES NO EQUIPMENT OR PROCESS THAT CREATES NOISE,
27 VIBRATION, GLARE, FUMES, ODORS, OR ELECTRICAL OR ELECTRONIC
28 INTERFERENCE DETECTABLE BY NEIGHBORS OR THAT CAUSES AN INCREASE OF
29 COMMON EXPENSES THAT CAN BE SOLELY AND DIRECTLY ATTRIBUTABLE TO A
30 NO-IMPACT HOME-BASED BUSINESS; AND

31 (IV) DOES NOT INVOLVE USE, STORAGE, OR DISPOSAL OF ANY
32 GROUPING OR CLASSIFICATION OF MATERIALS THAT THE UNITED STATES
33 SECRETARY OF TRANSPORTATION OR THE STATE OR ANY LOCAL GOVERNING BODY
34 DESIGNATES AS A HAZARDOUS MATERIAL.

1 (b) (1) ~~This section does~~ THE PROVISIONS OF THIS SECTION RELATING TO
2 FAMILY DAY CARE HOMES DO not apply to a homeowners association that is limited
3 to housing for older persons, as defined under the federal Fair Housing Act.

4 (2) THE PROVISIONS OF THIS SECTION RELATING TO NO-IMPACT
5 HOME-BASED BUSINESSES DO NOT APPLY TO A HOMEOWNERS ASSOCIATION THAT
6 HAS ADOPTED, PRIOR TO JULY 1, 1999, PROCEDURES IN ACCORDANCE WITH ITS
7 COVENANTS, DECLARATION, OR BYLAWS FOR THE PROHIBITION OR REGULATION OF
8 NO-IMPACT HOME-BASED BUSINESSES.

9 (c) (1) Subject to the provisions of subsections (d) and (e)(1) of this section, a
10 recorded covenant or restriction, a provision in a declaration, or a provision of the
11 bylaws or rules of a homeowners association that prohibits or restricts commercial or
12 business activity in general, but does not expressly apply to family day care homes OR
13 NO-IMPACT HOME-BASED BUSINESSES, may not be construed to prohibit or restrict:

14 (i) The establishment and operation of family day care homes OR
15 NO-IMPACT HOME-BASED BUSINESSES; or

16 (ii) Use of the roads, sidewalks, and other common areas of the
17 homeowners association by users of the family day care home.

18 (2) Subject to the provisions of subsections (d) and (e)(1) of this section,
19 the operation of a family day care home OR NO-IMPACT HOME-BASED BUSINESS shall
20 be:

21 (i) Considered a residential activity; and

22 (ii) A permitted activity.

23 (d) (1) (i) Subject to the provisions of paragraphs (2) and (3) of this
24 subsection, a homeowners association may include in its declaration, bylaws, or
25 recorded covenants and restrictions a provision expressly prohibiting the use of a
26 residence as a family day care home OR NO-IMPACT HOME-BASED BUSINESS.

27 (ii) A provision described under subparagraph (i) of this paragraph
28 expressly prohibiting the use of a residence as a family day care home OR NO-IMPACT
29 HOME-BASED BUSINESS shall apply to an existing family day care home OR
30 NO-IMPACT HOME-BASED BUSINESS in the homeowners association.

31 (2) A provision described under paragraph (1)(i) of this subsection
32 expressly prohibiting the use of a residence as a family day care home OR NO-IMPACT
33 HOME-BASED BUSINESS may not be enforced unless it is approved by a simple
34 majority of the total eligible voters of the homeowners association under the voting
35 procedures contained in the declaration or bylaws of the homeowners association.

36 (3) If a homeowners association includes in its declaration, bylaws, or
37 recorded covenants and restrictions a provision prohibiting the use of a residence as a
38 family day care home OR NO-IMPACT HOME-BASED BUSINESS, it shall also include a
39 provision stating that the prohibition may be eliminated and family day care homes

1 OR NO-IMPACT HOME-BASED BUSINESSES may be approved by a simple majority of
2 the total eligible voters of the homeowners association under the voting procedures
3 contained in the declaration or bylaws of the homeowners association.

4 (4) If a homeowners association includes in its declaration, bylaws, or
5 recorded covenants and restrictions a provision expressly prohibiting the use of a
6 residence as a family day care home OR NO-IMPACT HOME-BASED BUSINESS, the
7 prohibition may be eliminated and family day care OR NO-IMPACT HOME-BASED
8 BUSINESS ACTIVITIES may be permitted by the approval of a simple majority of the
9 total eligible voters of the homeowners association under the voting procedures
10 contained in the declaration or bylaws of the homeowners association.

11 (e) A homeowners association may include in its declaration, bylaws, rules, or
12 recorded covenants and restrictions a provision that:

13 (1) Regulates the number or percentage of family day care homes
14 operating in the homeowners association, provided that the percentage of family day
15 care homes permitted may not be less than 7.5 percent of the total residences of the
16 homeowners association;

17 (2) Requires day care providers to pay on a pro rata basis based on the
18 total number of family day care homes operating in the homeowners association any
19 increase in insurance costs of the homeowners association that are solely and directly
20 attributable to the operation of family day care homes in the homeowners association;
21 and

22 (3) Imposes a fee for use of common areas in a reasonable amount not to
23 exceed \$50 per year on each family day care home OR NO-IMPACT HOME-BASED
24 BUSINESS which is registered and operating in the homeowners association.

25 (f) (1) If the homeowners association regulates the number or percentage of
26 family day care homes under subsection (e)(1) of this section, in order to assure
27 compliance with this regulation, the homeowners association may require residents to
28 notify the homeowners association before opening a family day care home.

29 (2) THE HOMEOWNERS ASSOCIATION MAY REQUIRE RESIDENTS TO
30 NOTIFY THE HOMEOWNERS ASSOCIATION BEFORE OPENING A NO-IMPACT
31 HOME-BASED BUSINESS.

32 (g) (1) A day care provider in a homeowners association:

33 (i) Shall obtain the liability insurance described under §§ 19-106
34 and 19-202 of the Insurance Article in at least the minimum amount described under
35 that statute; and

36 (ii) May not operate without the liability insurance described under
37 item (i) of this paragraph.

1 (2) A homeowners association may not require a day care provider to
 2 obtain insurance in an amount greater than the minimum amount required under
 3 paragraph (1) of this subsection.

4 (H) ~~(4) EXCEPT AS PROVIDED IN SUBSECTION (D)(1)(I) OF THIS SECTION AND~~
 5 ~~PARAGRAPH (2) OF THIS SUBSECTION, A RECORDED COVENANT OR RESTRICTION, A~~
 6 ~~PROVISION IN A DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A~~
 7 ~~HOMEOWNERS ASSOCIATION MAY NOT PROHIBIT A NO-IMPACT HOME-BASED~~
 8 ~~BUSINESS.~~

9 ~~(2)~~ A HOMEOWNERS ASSOCIATION MAY RESTRICT OR PROHIBIT A
 10 NO-IMPACT HOME-BASED BUSINESS IN ANY COMMON AREAS.

11 Article - Corporations and Associations

12 5-6B-01.

13 (O) "NO-IMPACT HOME-BASED BUSINESS" MEANS A BUSINESS THAT:

14 (1) IS CONSISTENT WITH THE RESIDENTIAL CHARACTER OF THE
 15 DWELLING UNIT;

16 (2) IS SUBORDINATE TO THE USE OF THE DWELLING UNIT FOR
 17 RESIDENTIAL PURPOSES AND REQUIRES NO EXTERNAL MODIFICATIONS THAT
 18 DETRACT FROM THE RESIDENTIAL APPEARANCE OF THE DWELLING UNIT;

19 (3) USES NO EQUIPMENT OR PROCESS THAT CREATES NOISE,
 20 VIBRATION, GLARE, FUMES, ODORS, OR ELECTRICAL OR ELECTRONIC
 21 INTERFERENCE DETECTABLE BY NEIGHBORS; AND

22 (4) DOES NOT INVOLVE USE, STORAGE, OR DISPOSAL OF ANY GROUPING
 23 OR CLASSIFICATION OF MATERIALS THAT THE UNITED STATES SECRETARY OF
 24 TRANSPORTATION OR THE STATE OR ANY LOCAL GOVERNING BODY DESIGNATES AS
 25 A HAZARDOUS MATERIAL.

26 5-6B-18.1.

27 ~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A PROVISION~~
 28 ~~IN A DECLARATION, OR A PROVISION IN THE BYLAWS OR RULES OF A COOPERATIVE~~
 29 ~~HOUSING CORPORATION MAY NOT PROHIBIT A NO-IMPACT HOME-BASED BUSINESS.~~

30 ~~(B) A COOPERATIVE HOUSING CORPORATION MAY RESTRICT OR PROHIBIT A~~
 31 ~~NO-IMPACT HOME-BASED BUSINESS IN ANY COMMON PROPERTY.~~

32 (A) THE PROVISIONS OF THIS SECTION RELATING TO NO-IMPACT
 33 HOME-BASED BUSINESSES DO NOT APPLY TO A COOPERATIVE HOUSING
 34 CORPORATION THAT HAS ADOPTED, PRIOR TO JULY 1, 1999, PROCEDURES IN
 35 ACCORDANCE WITH ITS ARTICLES OF INCORPORATION OR A PROPRIETARY LEASE OR
 36 A PROVISION OF ITS BYLAWS FOR THE PROHIBITION OR REGULATION OF NO-IMPACT
 37 HOME-BASED BUSINESSES.

1 (B) (1) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION,
2 A PROVISION IN THE ARTICLES OF INCORPORATION OR A PROPRIETARY LEASE OR A
3 PROVISION OF THE BYLAWS OF A COOPERATIVE HOUSING CORPORATION THAT
4 PROHIBITS OR RESTRICTS COMMERCIAL OR BUSINESS ACTIVITY IN GENERAL, BUT
5 DOES NOT EXPRESSLY APPLY TO NO-IMPACT HOME-BASED BUSINESSES, MAY NOT
6 BE CONSTRUED TO PROHIBIT OR RESTRICT THE ESTABLISHMENT AND OPERATION
7 OF NO-IMPACT HOME-BASED BUSINESSES.

8 (2) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION,
9 THE OPERATION OF A NO-IMPACT HOME-BASED BUSINESS SHALL BE:

10 (I) CONSIDERED A RESIDENTIAL ACTIVITY; AND

11 (II) A PERMITTED ACTIVITY.

12 (C) (1) (I) SUBJECT TO THE PROVISIONS OF PARAGRAPHS (2) AND (3) OF
13 THIS SUBSECTION, A COOPERATIVE HOUSING CORPORATION MAY INCLUDE IN ITS
14 ARTICLES OF INCORPORATION, BYLAWS, OR PROPRIETARY LEASES A PROVISION
15 EXPRESSLY PROHIBITING THE USE OF A RESIDENTIAL UNIT AS A NO-IMPACT
16 HOME-BASED BUSINESS.

17 (II) A PROVISION DESCRIBED UNDER SUBPARAGRAPH (I) OF THIS
18 PARAGRAPH EXPRESSLY PROHIBITING THE USE OF A RESIDENTIAL UNIT AS A
19 NO-IMPACT HOME-BASED BUSINESS SHALL APPLY TO AN EXISTING NO-IMPACT
20 HOME-BASED BUSINESS IN THE COOPERATIVE PROJECT.

21 (2) A PROVISION DESCRIBED UNDER PARAGRAPH (1)(I) OF THIS
22 SUBSECTION EXPRESSLY PROHIBITING THE USE OF A RESIDENTIAL UNIT AS A
23 NO-IMPACT HOME-BASED BUSINESS MAY NOT BE ENFORCED UNLESS IT IS
24 APPROVED BY A SIMPLE MAJORITY OF THE TOTAL ELIGIBLE VOTERS OF THE
25 COOPERATIVE HOUSING CORPORATION UNDER THE VOTING PROCEDURES
26 CONTAINED IN THE ARTICLES OF INCORPORATION OR BYLAWS OF THE
27 CORPORATION.

28 (3) IF A COOPERATIVE HOUSING CORPORATION INCLUDES IN ITS
29 ARTICLES OF INCORPORATION, BYLAWS, OR PROPRIETARY LEASES A PROVISION
30 PROHIBITING THE USE OF A RESIDENTIAL UNIT AS A NO-IMPACT HOME-BASED
31 BUSINESS, IT SHALL ALSO INCLUDE A PROVISION STATING THAT THE PROHIBITION
32 MAY BE ELIMINATED AND NO-IMPACT HOME-BASED BUSINESSES MAY BE
33 APPROVED BY A SIMPLE MAJORITY OF THE TOTAL ELIGIBLE VOTERS OF THE
34 COOPERATIVE HOUSING CORPORATION UNDER THE VOTING PROCEDURES
35 CONTAINED IN THE ARTICLES OF INCORPORATION OR BYLAWS OF THE
36 CORPORATION.

37 (4) IF A COOPERATIVE HOUSING CORPORATION INCLUDES IN ITS
38 ARTICLES OF INCORPORATION, BYLAWS, OR PROPRIETARY LEASES A PROVISION
39 EXPRESSLY PROHIBITING THE USE OF A RESIDENTIAL UNIT AS A NO-IMPACT
40 HOME-BASED BUSINESS, THE PROHIBITION MAY BE ELIMINATED AND NO-IMPACT
41 HOME-BASED BUSINESS ACTIVITIES MAY BE PERMITTED BY THE APPROVAL OF A
42 SIMPLE MAJORITY OF THE TOTAL ELIGIBLE VOTERS OF THE COOPERATIVE HOUSING

1 CORPORATION UNDER THE VOTING PROCEDURES CONTAINED IN THE ARTICLES OF
2 INCORPORATION OR BYLAWS OF THE CORPORATION.

3 (D) A COOPERATIVE HOUSING CORPORATION MAY:

4 (1) RESTRICT OR PROHIBIT A NO-IMPACT HOME-BASED BUSINESS IN
5 ANY AREAS CONSTITUTING THOSE PORTIONS OF A COOPERATIVE PROJECT
6 POSSESSED IN COMMON BY THE MEMBERS; AND

7 (2) IMPOSE A FEE FOR USE OF ANY AREAS CONSTITUTING THOSE
8 PORTIONS OF A COOPERATIVE PROJECT POSSESSED IN COMMON BY THE MEMBERS
9 IN A REASONABLE AMOUNT NOT TO EXCEED \$50 PER YEAR ON EACH NO-IMPACT
10 HOME-BASED BUSINESS OPERATING IN THE COOPERATIVE PROJECT.

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 ~~October 1, 1998~~ July 1, 1998.