

SENATE BILL 94

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1998 Regular Session
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By: **Senators Dorman and ~~Craig, Craig, Green, and Forehand~~**

Introduced and read first time: January 16, 1998

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 1998

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of prohibiting a certain provision in a recorded covenant or
5 restriction, declaration, bylaw, or rule of a condominium; or homeowners
6 association, or in the articles of incorporation, bylaws, or proprietary leases of a
7 cooperative housing corporation from ~~prohibiting being construed to prohibit~~
8 certain no-impact home-based businesses; providing that a condominium,
9 homeowners association, or cooperative housing corporation may restrict or
10 prohibit certain no-impact home-based businesses under certain
11 circumstances; providing that the operation of a no-impact home-based
12 business is a certain activity; authorizing condominiums ~~and~~ homeowners
13 associations, and cooperative housing corporations to require no-impact
14 home-based businesses to pay certain fees under certain circumstances;
15 ~~authorizing condominiums, homeowners associations, and cooperative housing~~
16 ~~corporations to adopt certain rules~~; defining a certain term; and generally
17 relating to no-impact home-based businesses in condominiums, homeowners
18 associations, and cooperative housing corporations.

19 BY renumbering
20 Article - Corporations and Associations
21 Section 5-6B-01(o), (p), and (q), respectively
22 to be Section 5-6B-01(p), (q), and (r), respectively
23 Annotated Code of Maryland
24 (1993 Replacement Volume and 1997 Supplement)

25 BY repealing and reenacting, with amendments,

1 Article - Real Property
 2 Section 11-111.1 and 11B-111.1
 3 Annotated Code of Maryland
 4 (1996 Replacement Volume and 1997 Supplement)

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

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

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

16 **Article - Real Property**

17 11-111.1.

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

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

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

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

24 (I) IS CONSISTENT WITH THE RESIDENTIAL CHARACTER OF THE
 25 DWELLING UNIT;

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

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

34 (IV) DOES NOT INVOLVE USE, STORAGE, OR DISPOSAL OF ANY
 35 GROUPING OR CLASSIFICATION OF MATERIALS THAT THE UNITED STATES

1 SECRETARY OF TRANSPORTATION OR THE STATE OR ANY LOCAL GOVERNING BODY
2 DESIGNATES AS A HAZARDOUS MATERIAL;

3 (V) IS OWNED OR OPERATED BY A RESIDENT OF THE DWELLING
4 UNIT AND HAS NO EMPLOYEES, AGENTS, OR CONTRACTORS ON THE PREMISES
5 OTHER THAN A RESIDENT OF THE DWELLING UNIT; AND

6 (VI) DOES NOT HAVE ANY CUSTOMERS OR INVITEES VISITING THE
7 PREMISES.

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

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

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

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

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

23 (i) Considered a residential activity; and

24 (ii) A permitted activity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (h) ~~(1) 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 ~~CONDOMINIUM MAY NOT PROHIBIT A NO-IMPACT HOME-BASED BUSINESS.~~

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

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

12 11B-111.1.

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

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

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

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

19 (I) IS CONSISTENT WITH THE RESIDENTIAL CHARACTER OF THE
 20 DWELLING UNIT;

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

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

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

33 (V) IS OWNED OR OPERATED BY A RESIDENT OF THE DWELLING
 34 UNIT AND HAS NO EMPLOYEES, AGENTS, OR CONTRACTORS ON THE PREMISES
 35 OTHER THAN A RESIDENT OF THE DWELLING UNIT; AND

1 (VI) DOES NOT HAVE ANY CUSTOMERS OR INVITEES VISITING THE
2 PREMISES.

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

6 (2) THE PROVISIONS OF THIS SECTION RELATING TO HOME-BASED
7 BUSINESSES DO NOT APPLY TO PROPERTIES SUBJECT TO COVENANTS
8 ENFORCEABLE BY THE COLUMBIA ASSOCIATION OR COMMUNITY ASSOCIATIONS FOR
9 THE VILLAGES OF COLUMBIA IN HOWARD COUNTY.

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

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

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

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

22 (i) Considered a residential activity; and

23 (ii) A permitted activity.

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

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

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

37 (3) If a homeowners association includes in its declaration, bylaws, or
38 recorded covenants and restrictions a provision prohibiting the use of a residence as a

1 family day care home OR NO-IMPACT HOME-BASED BUSINESS, it shall also include a
2 provision stating that the prohibition may be eliminated and family day care homes
3 OR NO-IMPACT HOME-BASED BUSINESSES may be approved by a simple majority of
4 the total eligible voters of the homeowners association under the voting procedures
5 contained in the declaration or bylaws of the homeowners association.

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

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

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

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

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

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

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

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

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

38 (ii) May not operate without the liability insurance described under
39 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) ~~(1) 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) IS OWNED OR OPERATED BY A RESIDENT OF THE DWELLING UNIT
 27 AND HAS NO EMPLOYEES, AGENTS, OR CONTRACTORS ON THE PREMISES OTHER
 28 THAN A RESIDENT OF THE DWELLING UNIT; AND

29 (6) DOES NOT HAVE ANY CUSTOMERS OR INVITEES VISITING THE
 30 PREMISES.

31 5-6B-18.1.

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

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

1 (A) (1) SUBJECT TO THE PROVISIONS OF SUBSECTION (B) 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 (B) 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 (B) (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 (C) 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.