

## Article - Corporations and Associations

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§5-6B-22.

(a) The provisions of this section relating to no-impact home-based businesses do not apply to a cooperative housing corporation that has adopted, prior to July 1, 1999, procedures in accordance with its articles of incorporation or a proprietary lease or a provision of its bylaws for the prohibition or regulation of no-impact home-based businesses.

(b) (1) Subject to the provisions of subsection (c) of this section, a provision in the articles of incorporation or a proprietary lease or a provision of the bylaws of a cooperative housing corporation that prohibits or restricts commercial or business activity in general, but does not expressly apply to no-impact home-based businesses, may not be construed to prohibit or restrict the establishment and operation of no-impact home-based businesses.

(2) Subject to the provisions of subsection (c) of this section, the operation of a no-impact home-based business shall be:

- (i) Considered a residential activity; and
- (ii) A permitted activity.

(c) (1) (i) Subject to the provisions of paragraphs (2) and (3) of this subsection, a cooperative housing corporation may include in its articles of incorporation, bylaws, or proprietary leases a provision expressly prohibiting the use of a residential unit as a no-impact home-based business.

(ii) A provision described under subparagraph (i) of this paragraph expressly prohibiting the use of a residential unit as a no-impact home-based business shall apply to an existing no-impact home-based business in the cooperative project.

(2) A provision described under paragraph (1)(i) of this subsection expressly prohibiting the use of a residential unit as a no-impact home-based business may not be enforced unless it is approved by a simple majority of the total eligible voters of the cooperative housing corporation under the voting procedures contained in the articles of incorporation or bylaws of the corporation.

(3) If a cooperative housing corporation includes in its articles of incorporation, bylaws, or proprietary leases a provision prohibiting the use of a

residential unit as a no–impact home–based business, it shall also include a provision stating that the prohibition may be eliminated and no–impact home–based businesses may be approved by a simple majority of the total eligible voters of the cooperative housing corporation under the voting procedures contained in the articles of incorporation or bylaws of the corporation.

(4) If a cooperative housing corporation includes in its articles of incorporation, bylaws, or proprietary leases a provision expressly prohibiting the use of a residential unit as a no–impact home–based business, the prohibition may be eliminated and no–impact home–based business activities may be permitted by the approval of a simple majority of the total eligible voters of the cooperative housing corporation under the voting procedures contained in the articles of incorporation or bylaws of the corporation.

(d) A cooperative housing corporation may:

(1) Restrict or prohibit a no–impact home–based business in any areas constituting those portions of a cooperative project possessed in common by the members; and

(2) Impose a fee for use of any areas constituting those portions of a cooperative project possessed in common by the members in a reasonable amount not to exceed \$50 per year on each no–impact home–based business operating in the cooperative project.

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