

SB0927/593922/1

BY: Senator Smith

AMENDMENTS TO SENATE BILL 927
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “**Associations** –” insert “**Cooperative**”; in the same line, strike “**Cooperatives**” and substitute “**Corporations**”; in line 4, after the second “a” insert “cooperative”; in line 5, strike “cooperative” and substitute “corporation”; in line 6, after the second “a” insert “cooperative”; in the same line, after “limited” insert “equity”; in the same line, strike “cooperative” and substitute “corporation”; in lines 7, 8, 10, and 17, in each instance, after “a” insert “cooperative”; in line 9, strike “cooperative” and substitute “corporation”; in line 10, strike “cooperative” and substitute “corporation”; in line 12, after “of” insert “cooperative”; in line 13, strike “cooperatives” and substitute “corporations”; in line 14, after the first “on” insert “cooperative”; in the same line, strike “cooperatives” and substitute “corporations”; in line 17, strike “cooperative” and substitute “corporation”; in line 18, after “of” insert “cooperative”; in the same line strike “cooperatives” and substitute “housing corporations”; strike beginning with “exempting” in line 18 down through “cooperative,” in line 23; in line 24, after “to” insert “cooperative”; and in the same line, strike “cooperatives” and substitute “corporations”.

On page 2, in line 3, strike “5–6D–10” and substitute “5–6D–09”; in the same line, after “6D.” insert “Cooperative”; in line 4, strike “Cooperatives” and substitute “Corporations”; and strike in their entirety lines 7 through 11, inclusive.

AMENDMENT NO. 2

On page 2, in line 16, after “with” insert “:

(1)”;

in the same line, strike “another” and substitute “ANOTHER”; in line 17, after “corporation” insert “;OR”

(II) A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION UNDER SUBTITLE 6D OF THIS TITLE”;

in line 18, strike the brackets; strike beginning with the colon in line 18 down through “A” in line 19; strike beginning with the semicolon in line 20 down through “TITLE” in line 22; in line 28, after “A” insert “COOPERATIVE”; in the same line, strike “COOPERATIVE” and substitute “CORPORATION”; in line 30, after “6D.” insert “COOPERATIVE”; and in the same line, strike “COOPERATIVES” and substitute “CORPORATIONS”.

On page 3, in line 4, after “A” insert “COOPERATIVE”; in line 5, strike “COOPERATIVE” and substitute “CORPORATION”; in line 8, after “THE” insert “COOPERATIVE”; in line 9, strike “COOPERATIVE” and substitute “CORPORATION”; in line 11, after the second “A” insert “COOPERATIVE”; in line 12, strike “COOPERATIVE” and substitute “CORPORATION”; in the same line, after “THE” insert “COOPERATIVE”; in line 13, strike “COOPERATIVE” and substitute “CORPORATION”; in line 14, after “A” insert “COOPERATIVE”; in line 15, strike “COOPERATIVE” and substitute “CORPORATION”; in line 16, after “THE” insert “COOPERATIVE”; in line 17, strike “COOPERATIVE” and substitute “CORPORATION”; after line 17, insert:

“(F) “COOPERATIVE LIMITED EQUITY HOUSING CORPORATION” MEANS A MARYLAND NONSTOCK CORPORATION QUALIFIED IN THIS STATE, HAVING ONLY ONE CLASS OF MEMBERSHIP, IN WHICH EACH MEMBER, BY VIRTUE OF THE MEMBER’S MEMBERSHIP, HAS A COOPERATIVE INTEREST IN THE CORPORATION.”;

in lines 18 and 21, strike “(F)” and “(G)”, respectively, and substitute “(G)” and “(H)”, respectively; in line 19, after “A” insert “COOPERATIVE”; in line 20, strike “COOPERATIVE” and substitute “CORPORATION”; and strike in their entirety lines 23 through 26, inclusive.

On page 4, in line 1, after “A” insert “COOPERATIVE”; in line 2, strike “COOPERATIVE” and substitute “CORPORATION”; in lines 13 and 18, in each instance, after “THE” insert “COOPERATIVE”; and in lines 14 and 18, in each instance, strike “COOPERATIVE” and substitute “CORPORATION”.

On page 5, in line 2, after “A” insert “COOPERATIVE”; in the same line, strike “COOPERATIVE” and substitute “CORPORATION”; in line 5, after “(A)” insert “(1)”; strike beginning with “ADOPT” in line 6 down through “CORPORATION” in line 19 and substitute “HOLD A VOTE TO CONVERT TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION NOT LATER THAN 30 DAYS AFTER PROVIDING NOTICE.”

(2) NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL:

(i) INFORM THE MEMBERS THAT AN ELECTION TO CONVERT THE MARYLAND NONSTOCK CORPORATION TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION WILL BE HELD NOT LATER THAN 30 DAYS AFTER DELIVERY OF THE NOTICE; AND

(ii) INCLUDE A COPY OF THE DOCUMENTS TO BE SUBMITTED TO THE DEPARTMENT.

(B) (1) A VOTE TO CONVERT FROM A MARYLAND NONSTOCK CORPORATION TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION SHALL REQUIRE AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE TOTAL MEMBERS.

(2) A VOTE UNDER THIS SUBSECTION SHALL BE CONDUCTED IN ACCORDANCE WITH THE GOVERNING DOCUMENTS OF THE MARYLAND NONSTOCK CORPORATION.

(C) (1) IF AT LEAST TWO-THIRDS OF THE TOTAL MEMBERS OF THE MARYLAND NONSTOCK CORPORATION VOTE TO CONVERT TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION, THE MARYLAND NONSTOCK CORPORATION SHALL PREPARE AND SUBMIT TO THE DEPARTMENT THE REQUIRED DOCUMENTS AND INFORMATION IN ACCORDANCE WITH § 5-6D-04 OF THIS SUBTITLE.

(2) IF A VOTE TO CONVERT TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION UNDER SUBSECTION (B) OF THIS SECTION FAILS, THE MARYLAND NONSTOCK CORPORATION MAY NOT ATTEMPT TO CONVERT TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION FOR AT LEAST 12 MONTHS AFTER THE DATE OF THE FAILED VOTE.

(D) ONCE A MARYLAND NONSTOCK CORPORATION IS CONVERTED TO A COOPERATIVE LIMITED EQUITY HOUSING CORPORATION, VOTES SHALL BE ASSIGNED SO THAT EACH UNIT HAS ONE VOTE”;

in line 21, strike “APPLY FOR CONVERSION” and substitute “CONVERT”; in the same line, after “A” insert “COOPERATIVE”; in line 22, strike “COOPERATIVE” and substitute “CORPORATION”; in line 23, after “SHALL” insert “:

(1)”;

in the same line, strike “PREPARE” and substitute “PREPARE”; in line 24, after “A” insert “COOPERATIVE”; in line 25, strike “COOPERATIVE” and substitute

“CORPORATION”; in lines 26, 27, and 29, strike “(1)”, “(I)”, and “(II)”, respectively, and substitute “(I)”, “1.”, and “2.”, respectively; in line 27, after “THE” insert “COOPERATIVE”; in line 28, strike “COOPERATIVE;” and substitute “CORPORATION; AND”; in line 29, after the second “THE” insert “COOPERATIVE”; and in line 30, strike “COOPERATIVE” and substitute “CORPORATION”.

On page 6, in line 1, strike “(III)” and substitute “(II)”; in lines 1 and 2, strike “THE NAME AND ADDRESS OF THE MEMBERS OF THE MARYLAND NONSTOCK CORPORATION;” and substitute “ANY OTHER DOCUMENTS OR INFORMATION REQUIRED BY THE DEPARTMENT; AND”; in line 3, after “(2)” insert “MAINTAIN:”

(I) THE NAME AND ADDRESS OF THE MEMBERS OF THE MARYLAND NONSTOCK CORPORATION;

(II);

in lines 4, 6, 9, 11, 13, 15, 18, 20, 23, 26, and 29, strike “(I)”, “(II)”, “(III)”, “(IV)”, “(V)”, “(VI)”, “(VII)”, “(VIII)”, “(IX)”, “(X)”, and “(XI)”, respectively, and substitute “1.”, “2.”, “3.”, “4.”, “5.”, “6.”, “7.”, “8.”, “9.”, “10.”, and “11.”, respectively; in lines 4 and 5, strike “APPLY FOR CONVERSION” and substitute “CONVERT”; in line 5, after “A” insert “COOPERATIVE”; in lines 7, 12, and 23, in each instance, after “THE” insert “COOPERATIVE”; in lines 8, 12, 14, and 24, in each instance, strike “COOPERATIVE” and substitute “CORPORATION”; and in line 13, after the second “THE” insert “COOPERATIVE”.

On page 7, in lines 1, 4, 5, 6, 7, 10, 12, 14, and 15, strike “1.”, “2.”, “3.”, “4.”, “5.”, “6.”, “(3)”, “(4)”, and “(5)”, respectively, and substitute “A.”, “B.”, “C.”, “D.”, “E.”, “F.”, “(III)”, “(IV)”, and “(V)”, respectively; in line 2, after the third “THE” insert “COOPERATIVE”; in line 3, strike “COOPERATIVE” and substitute “CORPORATION”; in line 8, after “THE” insert “COOPERATIVE”; in line 9, strike “COOPERATIVE” and

(Over)

substitute "CORPORATION"; in line 11, strike "~~§ 5-6D-06~~" and substitute "~~§ 5-6D-05~~"; in line 14, after "**BYLAWS;**" insert "AND"; and strike beginning with "**; AND**" in line 15 down through "**DEPARTMENT**" in line 17.

On pages 7 and 8, strike beginning with "**(1)**" in line 21 on page 7 down through "**(D)**" in line 7 on page 8.

On page 8, in line 10, strike "**CONDITIONALLY ACCEPT**" and substitute "ACCEPT"; strike beginning with "**SUBJECT**" in line 11 down through "**COOPERATIVE**" in line 12; and after line 16, insert:

"(D) ON RECEIPT OF A DENIAL UNDER SUBSECTION (C)(2) OF THIS SECTION, A MARYLAND NONSTOCK CORPORATION MAY RESUBMIT THE DOCUMENTS AND INFORMATION IN ORDER TO MEET THE REQUIREMENTS OF THIS SECTION."

On pages 8 and 9, strike in their entirety the lines beginning with line 18 on page 8 through line 21 on page 9, inclusive.

On page 9, in line 22, after the second "**A**" insert "COOPERATIVE"; in line 23, strike "**COOPERATIVE**" and substitute "CORPORATION"; in the same line, after "**THE**" insert "COOPERATIVE"; in line 24, strike "**COOPERATIVE**" and substitute "CORPORATION"; in the same line, after "**SHALL**" insert "**;**

(1) OFFER THE OPPORTUNITY TO BECOME A MEMBER OF THE LIMITED EQUITY HOUSING COOPERATIVE TO EACH HOUSEHOLD; AND

(2);

in the same line, strike “**PROVIDE**” and substitute “**PROVIDE**”; in line 25, after “**THAT**” insert “**DOES NOT ACCEPT THE OFFER AND THAT**”; in line 27, after “**A**” insert “**COOPERATIVE**”; and in line 28, strike “**COOPERATIVE**” and substitute “**CORPORATION**”.

On page 10, in lines 8, 11, and 21, in each instance, after “**THE**” insert “**COOPERATIVE**”; in lines 8, 11, 22, and 30, in each instance, strike “**COOPERATIVE**” and substitute “**CORPORATION**”; in line 29, after the second “**THE**” insert “**COOPERATIVE**”; and in line 25, strike “**5-6D-07.**” and substitute “**5-6D-06.**”.

On page 11, in lines 3, 17, and 24, strike “**5-6D-08.**”, “**5-6D-09.**”, and “**5-6D-10.**”, respectively, and substitute “**5-6D-07.**”, “**5-6D-08.**”, and “**5-6D-09.**”, respectively; in lines 7, 18, and 23, in each instance, after “**A**” insert “**COOPERATIVE**”; in lines 7, 19, and 23, in each instance, strike “**COOPERATIVE**” and substitute “**CORPORATION**”; in lines 13 and 26, in each instance, after “**OF**” insert “**COOPERATIVE**”; and in lines 14 and 27, in each instance, strike “**COOPERATIVES**” and substitute “**CORPORATIONS**”.

On pages 11 and 12, strike in their entirety the lines beginning with line 28 on page 11 through line 29 on page 12, inclusive.

On page 12, in line 30, strike “**4.**” and substitute “**2.**”; in lines 30 and 31, strike “except as provided in Section 3 of this Act.”; and in line 31, strike “**2025**” and substitute “**2026**”.