

## HF 3800/SF 4053

### Minnesota Cooperative Housing Act (308C)

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- **What problem is this legislation trying to solve?** Currently, housing cooperatives in the state of Minnesota use our state's existing agriculture and utility cooperative statutes (308A & 308B) to incorporate. In addition, the day-to-day operations of housing cooperatives are governed by a myriad of other statutes. When initially passed into law, these statutes did not contemplate housing cooperatives as entities. As such, housing cooperatives have largely functioned as “square pegs in round holes” regarding our state statutes. As housing cooperatives increasingly become a more popular option of homeownership, especially in the affordable and senior housing sectors, the lack of statutory definition around cooperative housing has become pronounced. As such, this legislation aims to consolidate housing cooperative incorporation and governance into one statute.
- **What does this bill do?** This bill creates a new 308C cooperative housing statute that consolidates housing cooperative incorporation and governance under one statute.
- **What does this bill NOT do?** This legislation does not automatically reincorporate housing cooperatives in Minnesota under this statute. All existing housing cooperatives would need to choose to reincorporate under 308C. Additionally, new housing cooperatives could choose to use Minnesota’s existing cooperative statutes to incorporate. The bill also does not repeal any portions of state law and does not impose any new fees that are not already required for cooperative incorporation.
- **Who benefits?** Minnesota residents, seniors, taxpayers, and municipalities. The streamlining of housing cooperative incorporation should not only make it easier for cooperatives to form, but also increase the amount of housing cooperatives in our state. This should naturally create more affordable homeownership across Minnesota and benefit everyone on the housing continuum – from first time homeowners to seniors.