308C.721 ALLOCATIONS AND DISTRIBUTIONS TO MEMBERS.

Subdivision 1. **Allocation of profits and losses.** If applicable to the specific type of housing cooperative formed under this chapter, the bylaws or operating agreement shall prescribe the allocation of profits and losses between occupant membership interests collectively and any other membership interests. If the bylaws or operating agreement do not otherwise provide, the profits and losses between occupant membership interests collectively and other membership interests shall be allocated on the basis of the value of contributions to capital made by the occupant membership interests collectively and other membership interests and accepted by the cooperative. The allocation of profits to the occupant membership interests collectively shall not be less than 50 percent of the total profits in any fiscal year, except that if authorized in the original articles as filed or in articles or bylaws that are adopted by an affirmative vote of the occupant members or the articles or bylaws are amended by the affirmative vote of the occupant members, the allocation of profits to the occupant membership interests collectively may not be less than 15 percent of the total profits in any fiscal year.

Subd. 2. **Distribution of cash or other assets.** The bylaws or operating agreement shall prescribe the distribution of cash or other assets of the cooperative among the membership interests of the cooperative. If not otherwise provided in the bylaws, distribution shall be made to the occupant membership interests collectively and other members on the basis of the value of contributions to capital made and accepted by the cooperative, by the occupant membership interests collectively, and other membership interests. The distributions to occupant membership interests collectively shall not be less than 50 percent of the total distributions in any fiscal year, except that if authorized in the articles or bylaws adopted by the affirmative vote of the occupant members, or the articles or bylaws are amended by the affirmative vote of the occupant members, the distributions to occupant membership interests collectively shall not be less than 15 percent of the total distributions in any year.

History: *2024 c 96 art 1 s 67; 2025 c 20 s 244*