



# The Housing Cooperatives Act

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Act of 6 June 2003 No. 39 relating to housing cooperatives (the Housing Cooperatives Act). Cf. the previous Act of 4 February 1960 No. 2 relating to housing cooperatives.

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**The english version of the lawtext is not approved by the Storting (Parliament), and can not be considered as a formal lawtext.**

## Chapter 1. Introductory provisions

### **Section 1-1. *Scope and extent. Definitions***

(1) The Act applies to housing cooperatives. By housing cooperative is meant a cooperative society whose purpose is to give the shareholders (members) the right of use to their own dwellings in the society's property (right of residence). Housing cooperatives may also conduct activities associated with the right of residence.

(2) A cooperative society whose primary purpose is to provide the members with the right of use to a secondary residence shall only be deemed a housing cooperative if the society was founded as a housing cooperative.

(3) The King may issue regulations regarding the application of the Act in Svalbard, and may lay down special provisions to apply according to local conditions.

### **Section 1-2. *Limitation of liability***

(1) The members may not be held personally liable to creditors for joint liabilities.

(2) The members shall not be obliged to make a deposit in the cooperative or in a bankrupt estate beyond the provisions of section 3-1 regarding shares, section 2-10 regarding housing cooperative deposits and section 5-19 regarding joint costs.

### **Section 1-3. *Affiliated housing cooperatives***

(1) Affiliated housing cooperatives are housing cooperatives where the bylaws provide that the members shall also be members of a specific house-building cooperative.

(2) If so agreed by all members and the house-building cooperative, it may be provided by the bylaws that the housing cooperative shall be an affiliated cooperative.

### **Section 1-4. *Housing cooperative stock corporations***

(1) A stock corporation or public company may not be founded for the same purposes as a housing cooperative.

(2) In the case of stock corporations founded prior to the entry into force of this Act, and which have the same purposes as housing cooperatives, sections 1-5, 4-2, chapter 5 and the conversion provisions of section 13-5 shall apply.

### **Section 1-5. *Prohibition against discrimination***

(1) The bylaws may not provide conditions for membership that pay regard to ethnicity, national origin, extraction, colour, language, religion or view of life. Such circumstances may not be deemed objective grounds for refusal of approval of a member or user or be taken into account in connection with the exercise of any right of pre-emption. In the event of such discrimination, the provisions of the Discrimination Act shall apply.

(2) Nor may the bylaws provide conditions for membership that pay regard to homosexual orientation. Such circumstances may not be deemed objective grounds for refusal of approval of a member or user or be taken into account in connection with the exercise of any right of pre-emption.

(3) If there are circumstances that give reason to believe that discrimination has taken place in contravention of the second paragraph, such discrimination shall be deemed to be proved unless the person who carried out the act proves on a balance of probabilities that no such discrimination has taken place.

(4) As regards liability for compensation for unlawful discrimination pursuant to the second paragraph, ordinary rules of compensation shall apply.

(5) The Equality and Anti-Discrimination Ombud and the Equality and Anti-Discrimination Tribunal shall monitor compliance with and help to implement the second paragraph, cf. the Equality and Anti-Discrimination Ombud Act.

### **Section 1-6. *Use of electronic communications***

(1) Unless otherwise provided by this Act, the housing cooperative may use electronic communications to provide reports, notifications, information, documents and the like to a member pursuant to the present Act, if so expressly accepted by the member.

(2) When a member shall provide notifications, etc. to the cooperative pursuant to the present Act, he or she may do so by means of electronic communication to an e-mail address or in the manner provided by the cooperative for this purpose.

## **Chapter 2. Foundation of housing cooperatives. Deposits. Agreements with developers, etc.**

### **I Foundation**

### **Section 2-1. *Foundation documents***

(1) Before a housing cooperative can be founded, the person or persons who are to subscribe to shares in the cooperative (the founders) shall draw up a foundation document. The foundation document shall contain the bylaws of the cooperative (section 2-2) and the information listed in section 2-3.

(2) The founders shall subscribe to all the shares of the cooperative. The number of shares may subsequently only be changed pursuant to the provisions of section 3-2. Prior agreement with the housing cooperative to subscribe to shares shall not be binding.

(3) It may be made a condition of subscription to shares that the member shall pay a deposit to the cooperative, cf. section 2-10.

### **Section 2-2. *Minimum requirement regarding the bylaws. Corporate name***

(1) The bylaws shall at least contain provisions regarding

1. the corporate name of the cooperative,
2. the municipality in the realm where the cooperative shall have its registered office,
3. the nominal value of the shares,
4. the lowest and highest number of board members,
5. matters to be included on the agenda of the ordinary general meeting.

(2) The name of the housing cooperative (corporate name) shall contain the word "burettslag" (housing cooperative) or the abbreviation BRL.

### **Section 2-3. *Other minimum requirements regarding the foundation document***

The foundation document shall otherwise indicate the name or corporate name, the addresses and personal identity numbers or organization numbers of the founders, the date of payment of the shares and the names of the members of the first board and the first auditor of the cooperative.

#### **Section 2-4. *Prohibition against special rights***

The foundation document may include no conditions regarding

1. payment for shares other than with money,
2. any obligation of the cooperative to cover foundation costs,
3. any obligation of the cooperative to take over assets or be party to an agreement,
4. that any person shall hold special rights or advantages in the cooperative on the basis of the foundation.

#### **Section 2-5. *Opening balance sheet***

(1) The founders shall draw up and date an opening balance sheet which shall be enclosed with the foundation document.

(2) The opening balance sheet shall be drawn up in accordance with the Accounting Act, and a registered or state authorized public accountant shall attest that the balance sheet has been drawn up in accordance with these provisions. The opening balance sheet with the accountant's attestation shall be dated at the earliest four weeks prior to the foundation, cf. section 2-7.

#### **Section 2-6. *Building and financing plan***

(1) A building and financing plan shall be enclosed with the foundation document.

(2) The plan shall contain drawings and descriptions of the cooperative's buildings and dwellings, cost estimates, a financing plan and an operating budget.

(3) The plan shall indicate which dwelling is associated with each share and the distribution of joint costs.

(4) The plan may be altered by the board, if appropriate, with the consent of the general meeting pursuant to section 8-9. Change of the deposit may only take place pursuant to section 2-10, and change in the distribution of joint costs may only take place pursuant to section 5-19.