

Legal Services Advocacy Project

April 1, 2025

The Honorable Tou Xiong, Chair State and Local Government Committee Minnesota Senate 3203 Minnesota Senate Building St. Paul, MN 55155 The Honorable Andrew Lang, Ranking Minority Leader State and Local Government Committee Minnesota Senate 2205 Minnesota Senate Building St. Paul, MN 55155

Re: SF 1063 (Common Interest Community Ombudsperson / HOA Registration)

Dear Chair Xiong, Ranking Minority Leader Lang, and Members of the State and Local Government Committee:

The Legal Services Advocacy Project (LSAP) writes in strong support of SF 1063, a bill that establishes a Common Interest Community Ombudsperson ("CIC Ombudsperson") and requires registration of Homeowner Associations. LSAP is a statewide division of Mid-Minnesota Legal Aid, providing policy, legislative, and administrative advocacy on behalf of Legal Aid statewide. Legal Aid's clients include low-income Minnesotan, elderly Minnesotans and Minnesotans with disabilities.

Legal Aid was privileged to be named a member of – and actively participate in -- The Working Group on Common Interest Communities and Homeowners Associations. The Working Group was formed by the Legislature in 2024 to grapple with the myriad of issues about which legislators, housing counselors, advocates and others were hearing. One of 41 recommendations coming out of the Working Group was the consensus and unanimous recommendation to establish a CIC Ombudsperson.

Three of the foremost themes that emerged from the Working Group were: (1) the need for information and education among both homeowners and board members; (2) the need for a third-party to help resolve disputes; and (3) the need for a repository of information in plain language regarding the complex and dense law that governs CICs (Chapter 515B) and HOA governing documents. SF 1063 addresses all three of these urgent needs. Further, it has long been an issue of concern among both HOA representatives and consumer advocates that there is no accurate count of how many HOAs there are in Minnesota or where they are. Article 2 of the bill would set up a registration regime whereby we can know, once and for all, accurate data on HOAs in Minnesota.

SF 1063 is sorely needed and will make a significant difference. It will provide critical resources for homeowners and board members. It will help resolve disputes, which too often escalate unnecessarily and even lead foreclosure actions. It will identify how many and where HOAs are in the state. Legal Aid urges passage of SF 1063.

Sincerely

Ron Elwood

Supervising Attorney

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