

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1063

(SENATE AUTHORS: PHA, Marty and Lucero)		
DATE	D-PG	OFFICIAL STATUS
02/06/2025	303	Introduction and first reading Referred to Judiciary and Public Safety
03/24/2025	994a	Comm report: To pass as amended and re-refer to Commerce and Consumer Protection
03/27/2025	1113	Chief author stricken, shown as co-author Marty Chief author added Pha
04/01/2025		Comm report: To pass as amended and re-refer to State and Local Government

1.1

A bill for an act

1.2

relating to common interest communities; creating a common interest community

1.3

ombudsperson; establishing a register for common interest communities; classifying

1.4

certain data; appropriating money for the Office of the Common Interest

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Community Ombudsperson; appropriating money for a register; proposing coding

1.6

for new law in Minnesota Statutes, chapters 45; 515B.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8

ARTICLE 1

1.9

COMMON INTEREST COMMUNITY OMBUDSPERSON

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Section 1. [45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.

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Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in this

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subdivision have the meanings given.

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(b) "Association" has the meaning given in section 515B.1-103, clause (4).

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(c) "Common interest community" has the meaning given in section 515B.1-103, clause

1.15

(10).

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(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

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(e) "Private data on individuals" has the meaning given in section 13.02, subdivision

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(f) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

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Subd. 2. Establishment. A common interest community ombudsperson position is

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established within the Department of Commerce to assist unit owners in enforcing their

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rights and to facilitate resolution of disputes between unit owners and associations. The

ombudsperson is appointed by the governor, serves in the unclassified service, and may be removed only for just cause.

Subd. 3. Qualifications. The ombudsperson must be selected without regard to political affiliation, must be qualified and experienced to perform the duties of the office, and must be skilled in dispute resolution techniques. The ombudsperson must not be a unit owner, be employed by a business entity that provides management or consulting services to an association, or otherwise be affiliated with an association or management company. A person is prohibited from serving as ombudsperson while holding another public office.

Subd. 4. Duties. (a) The ombudsperson must assist unit owners, their tenants, and associations to understand and enforce their rights under chapter 515B and the governing documents of the specific unit owner's association, including by:

(1) creating and publishing plain language explanations of common provisions of common interest community declarations and bylaws; and

(2) publishing materials and providing resources and referrals related to the rights and responsibilities of unit owners and associations.

(b) Upon the request of a unit owner or association, the ombudsperson must provide dispute resolution services, including acting as a mediator, in disputes between a unit owner and an association concerning chapter 515B or the governing documents of the common interest community, except where:

(1) there is a complaint based on the same dispute pending in a judicial or administrative proceeding; or

(2) the same disputed issue has been addressed or is currently in arbitration, mediation, or another alternative dispute resolution process.

(c) The ombudsperson may provide dispute resolution services for disputes between the tenant of a unit owner and an association, if the unit owner agrees to participate in the dispute resolution process.

(d) The ombudsperson must compile and analyze complaints against common interest communities made by unit owners to identify issues and trends. When assisting a unit owner in enforcing their rights under this section, the ombudsperson may inform them of the existence of other complaints from other unit owners in the same common interest community, subject to subdivision 7.

(e) The ombudsperson must maintain a website containing, at a minimum:

3.1 (1) the text of chapter 515B and any other relevant statutes or rules;

3.2 (2) information regarding the services provided by the Office of the Common Interest
3.3 Community Ombudsperson, including assistance with dispute resolution;

3.4 (3) information regarding alternative dispute resolution methods and programs; and

3.5 (4) any other information that the ombudsperson determines is useful to unit owners,
3.6 associations, common interest community boards of directors, and common interest
3.7 community property management companies.

3.8 (f) When requested or as the ombudsperson deems appropriate, the ombudsperson must
3.9 provide reports and recommendations to the legislative committees with jurisdiction over
3.10 common interest communities.

3.11 (g) In the course of assisting to resolve a dispute, the ombudsperson may, at reasonable
3.12 times, enter and view premises within the control of the common interest community.

3.13 Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from
3.14 rendering a formal legal opinion regarding a dispute between a unit owner and an association.
3.15 The ombudsperson and commissioner are prohibited from making a formal determination
3.16 or issuing an order regarding disputes between a unit owner and an association. Nothing in
3.17 this subdivision limits the ability of the commissioner to execute duties or powers under
3.18 any other law.

3.19 Subd. 6. **Cooperation.** Upon request, unit owners and associations must participate in
3.20 the dispute resolution process and make good faith efforts to resolve disputes under this
3.21 section.

3.22 Subd. 7. **Data.** Data collected, created, or maintained on unit owners, their tenants, or
3.23 other complainants by the office of the ombudsperson under this section are private data
3.24 on individuals or nonpublic data.

3.25 Subd. 8. **Landlord and tenant law.** Nothing in this section modifies, supersedes, limits,
3.26 or expands the rights and duties of landlords and tenants established under chapter 504B or
3.27 any other law.

3.28 **EFFECTIVE DATE.** This section is effective July 1, 2026.

4.1 Sec. 2. **APPROPRIATION; OFFICE OF THE COMMON INTEREST COMMUNITY**
4.2 **OMBUDSPERSON.**

4.3 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
4.4 commerce to establish and maintain the Office of the Common Interest Community
4.5 Ombudsperson. This appropriation is added to the base.

4.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.7 **ARTICLE 2**
4.8 **COMMON INTEREST COMMUNITY REGISTRATION**

4.9 Section 1. **[515B.5-101] COMMON INTEREST COMMUNITY REGISTRATION.**

4.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
4.11 subdivision have the meanings given.

4.12 (b) "Association" has the meaning given in section 515B.1-103, clause (4).

4.13 (c) "Common interest community" has the meaning given in section 515B.1-103, clause
4.14 (10).

4.15 (d) "Master declaration" has the meaning given in section 515B.1-103, clause (22).

4.16 (e) "Master developer" has the meaning given in section 515B.1-103, clause (23).

4.17 (f) "Unit" has the meaning given in section 515B.1-103, clause (35).

4.18 Subd. 2. **Establishment.** The Department of Commerce must establish a register that
4.19 contains the information required under subdivision 3 regarding each common interest
4.20 community or similar association governed by chapter 515B, operating within Minnesota.

4.21 Subd. 3. **Registration required.** (a) A common interest community or similar association
4.22 governed by chapter 515B must annually register under this section if they own any number
4.23 of units in the state of Minnesota.

4.24 (b) A common interest community or similar association governed by chapter 515B
4.25 must provide the following information to the department when registering:

4.26 (1) the common interest community or association's legal name;

4.27 (2) the common interest community or association's federal employer identification
4.28 number;

4.29 (3) the common interest community or association's telephone number, email address,
4.30 and mailing and physical address;

(4) the current board officers' full names, titles, email addresses, and other contact information;

(5) a copy of the common interest community or association's governing documents, including but not limited to declarations, bylaws, rules, and any amendments;

(6) the total number of parcels in the common interest community or association; and

(7) the total amount of revenues and expenses from the common interest community or association's annual budget.

(c) For common interest communities or associations governed by chapter 515B that are under the control of a master developer, the register must also include the following information:

(1) the master developer's legal name;

(2) the master developer's telephone number, email address, and mailing and physical address;

(3) the master developer's federal employer identification number;

(4) the total number of parcels owned by the master developer on the date of reporting;

(5) the master developer's master declaration as required by section 515B.2-121;

(6) the master developer's anticipated timeline to transfer control to the owners; and

(7) how the master developer will transfer control to the owners.

(d) Common interest communities or associations governed by chapter 515B that contract with a property management company must also provide the following information:

(1) the property management company's legal name;

(2) the property management company's telephone number, email address, and mailing and physical address;

(3) a brief description of the property management company's legal obligations under the terms of the contract; and

(4) the total cost of the contract.

Subd. 4. **Registration fee.** Each common interest community or association must pay a registration fee. The amount of the registration fee is determined by the amount of units owned by the common interest community or association according to the following schedule:

6.1	<u>Units</u>	<u>Fee</u>
6.2	<u>Under 20 units</u>	<u>...</u>
6.3	<u>20 to 80 units</u>	<u>...</u>
6.4	<u>Over 80 units</u>	<u>...</u>

6.5 Subd. 5. **Data classification.** A board member's email address and other contact
6.6 information collected, created, received, or maintained pursuant to this section is private
6.7 data on individuals, as defined in section 13.02, subdivision 12.

6.8 Subd. 6. **Enforcement.** (a) A common interest community or association's failure to
6.9 register under this section is an unlawful business practice. The Department of Commerce
6.10 must provide notice to a common interest community or association who fails to register.
6.11 The common interest community or association must register as provided under this section
6.12 within 60 days after receiving the notice to register.

6.13 (b) The attorney general has authority to enforce this section under section 8.31.

6.14 **EFFECTIVE DATE.** This section is effective January 1, 2026.

6.15 Sec. 2. **APPROPRIATION; COMMON INTEREST COMMUNITY REGISTER.**

6.16 \$..... in fiscal year 2025 is appropriated from the general fund to the commissioner of
6.17 commerce to establish the common interest community register under Minnesota Statutes,
6.18 section 515B.5-101. This is a onetime appropriation.

6.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

APPENDIX
Article locations for s1063-1

ARTICLE 1 COMMON INTEREST COMMUNITY OMBUDSPERSON..... Page.Ln 1.8

ARTICLE 2 COMMON INTEREST COMMUNITY REGISTRATION..... Page.Ln 4.7