



March 13, 2025

Re: Comments regarding policy changes for Homeowners Associations and Common Interest Communities (SF 1750)

Chair Port and members of the Senate Housing and Preventing Homelessness Committee:

The League of Minnesota Cities appreciates the opportunity to provide comments on SF 1750 (Lucero), which includes a myriad of policy changes addressing various aspects of Common Interest Communities (CICs) and Homeowners Associations (HOAs). HOAs and CICs when effectively run are important aspects of residential development and property management that ensure management of private common area property, provide services, amenities, and facilities, and set and enforce community rules.

It is important to note that while cities may seek to ensure private common area property in a development that the developer chooses to keep private is managed by an entity such as an HOA, cities do not directly mandate the establishment of HOAs nor do cities have oversight over HOA covenants, conditions, and restrictions or governance. There are also areas in statute including Minn. Stat. 515B that require ownership associations for Common Interest Communities (CICs).

We appreciate the provisions in SF 1750 that will codify best practices and provide greater transparency of information for homeowners on the requirements, procedures and fee schedules for associations, reign in unreasonable fees, and provide alternative mechanisms for dispute resolution and other mechanisms to avoid property foreclosure seeks. We also appreciate the inclusion of language in the A5 amendment that clarifies that private common areas or facilities in a development must comply with maintenance, insurance and other requirements under applicable state law. However, we continue to have concerns with the language in Article 3, Section 2 of the bill that includes an outright prohibition on conditioning approval of development on the inclusion of private common area property. This provision could have the effect of allowing developers to force cities to accept property or infrastructure that should be private property as public property managed by cities at the expense of taxpayers and potentially reduce flexibility for developers.

We look forward to continuing to work with Senator Lucero and this committee as SF 1750 continues to move forward regarding HOA and CIC reform.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel Lightfoot". The signature is written in a cursive, flowing style.

Daniel Lightfoot

Senior Intergovernmental Relations Representative
League of Minnesota Cities