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Senators Lucero, Pha, Limmer, Coleman, and Port

Minnesota State Senate
95 University Avenue W.
Minnesota Senate Bldg., Room 2413
St. Paul, MN 55155

Subject: Strong Opposition to SF 1750 – Harmful Impact on Homeowners and Associations

Dear Senators,

I am writing to express my strong opposition to SF 1750, which, while seemingly well-intended, introduces several provisions that could have severe unintended consequences for homeowners, property managers, and association boards throughout Minnesota. While I support responsible governance and homeowner protections, this bill threatens to destabilize common interest communities (CICs) by undermining enforcement mechanisms, discouraging board participation, and shifting financial burdens onto responsible homeowners.

My key concerns with SF 1750 include:

- **Mandatory “Meet and Confer” Prior to Enforcement Actions** – While I understand the desire for due process, requiring a board member to meet with a violating owner before enforcement actions (including lawsuits or foreclosures) is impractical and could deter homeowners from serving on their association boards. Board members are volunteers, not mediators, and in some cases, they may be forced to interact with hostile or aggressive violators. This provision could expose board members to unnecessary personal risk while delaying necessary enforcement actions. While I believe there should be an opportunity for a homeowner to confer and be heard by their accuser, it would be more practical for that homeowner to meet with the management company first. If that fails, then there could be an avenue to arbitrate with the board and management company (and an attorney if necessary) present in order to deter homeowners that volunteer as board members unnecessary conflict with their neighbors. Every homeowner signs an agreement to the HOA rules when

they purchase their home, should those rules be violated the board members should not be the first line of arbitration.

- **Assessment Cap on Enforcement/Collection Costs (\$1,500 Limit)** – By capping recoverable enforcement costs at \$1,500, compliant homeowners will inevitably bear the financial burden of covering unpaid dues and legal expenses beyond this limit. Associations rely on assessments to maintain community infrastructure, and shifting enforcement costs to innocent homeowners is both unfair and financially unsustainable. While \$1500 seems like enough of a deterrent, if a corporation is allowed to purchase a property in the HOA, this amount could be nominal to them and they could just pay fees and continue to violate.
- **Mandatory Participation in Board Meetings** – Homeowners already have the right to attend board meetings, but requiring their participation could easily derail meetings and hinder the decision-making process. This mandate could lead to delayed meetings, increased tensions, and unnecessary administrative burdens without improving transparency or homeowner engagement. I do not support any mandates to attend as most of our homeowners have no interest in attending as it is. No interest or involvement usually precludes to tacit compliance. If people choose not to participate, which they should have every right to do, they allow their compliance by being uninvolved.
- **Allowing Rules and Bylaws to be Changed by a Simple Majority at a Board Meeting** – This provision is deeply concerning. Bylaws and community rules exist to maintain order, consistency, and fairness within an association. Allowing them to be removed by a simple majority vote at a single board meeting invites instability and opens the door to hasty, ill-considered rule changes that could negatively impact property values and community standards. And what I'm seeing here is a mandate to make homeowners attend, then allowing a simple majority. This doesn't really make sense. You want to force participation, then allow a simple majority to rule. If you are going to mandate people to attend, then it should be a little more difficult to get rules passed. Otherwise, people just won't show up and delay votes even further.
- **Cap on Fines (\$100 Per Violation, \$2,500 Total)** – This cap effectively allows wealthier homeowners or LLCs to “buy” their way out of compliance. For example, an investor looking to illegally lease a property could simply pay the maximum fine and continue violating association covenants, leaving associations with no recourse but costly litigation. This provision undermines the effectiveness of HOA rules and creates an enforcement loophole that well-resourced violators can exploit.

- **Restriction on Associations Contracting with HOA Members** – Prohibiting associations from hiring homeowners for competitive service contracts removes an opportunity for associations to secure affordable, high-quality services. If a qualified homeowner offers services at a better rate than external vendors, why should the association be forced to look elsewhere? This restriction could increase costs and limit associations' ability to choose the best providers for their needs.

SF 1750 weakens the ability of associations to enforce rules, discourages board participation, and unfairly shifts financial burdens onto responsible homeowners. I strongly urge you to oppose this bill and instead consider solutions that empower associations to function effectively while protecting homeowners' interests.

I appreciate your time and consideration of this important issue and welcome any opportunity to discuss this further.

Sincerely,
Tracey Schowalter