

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 1750: A bill for an act relating to common interest communities; prohibiting certain practices relating to property management companies; modifying rights and duties of common interest communities; modifying rights of a unit owner; modifying termination threshold; establishing a meet and confer process; modifying notice of meetings; prohibiting certain governing bodies from requiring or incentivizing creation of homeowners associations; amending Minnesota Statutes 2024, sections 394.25, by adding a subdivision; 515B.1-102; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-110; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-107; 515B.4-116; proposing coding for new law in Minnesota Statutes, chapters 325E; 462; 515B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete article 1

Page 4, line 16, strike "and" and insert "created prior to June 1, 1994, or created under chapter 308C, to"

Page 4, line 20, delete the comma and insert "and" and delete ", and cooperatives"

Page 8, line 5, after "(a)" insert ", and shall contain and include property and interest transfers, including easements or sales, for any common elements"

Page 12, after line 3, insert:

"Sec. 4. Minnesota Statutes 2024, section 515B.3-101, is amended to read:

515B.3-101 ORGANIZATION OF UNIT OWNERS' ASSOCIATION.

A common interest community shall be administered by an association. The association shall be incorporated no later than the date the common interest community is created. The membership of the association at all times consists exclusively of all unit owners or, following termination of the common interest community, of all former unit owners entitled to distributions of proceeds under section 515B.2-119 or their heirs, successors, or assigns. The association shall be organized as a Minnesota profit or nonprofit corporation, or may, in the case of a cooperative, be organized under chapter 308A, or 308B, ~~or 308C~~. In the event of a conflict between this chapter and any other chapter under which the association is incorporated, this chapter shall control."

Page 12, lines 19 to 21, delete the new language

Page 13, line 25, strike "homeowner" and insert "unit owner"

Page 14, line 14, after the period, insert "When a violation can be cured without causing damage to property or to another,"

2.1 Page 14, line 17, delete "and" and insert "except when the violation is a repeated, willful,
2.2 and knowing violation and the owner has been given notice that the fine will be increased
2.3 due to the repeated nature of the violation, then the fine may be up to \$300."

2.4 Page 14, line 18, before "must" insert "the fine"

2.5 Page 16, line 7, delete "homeowners" and insert "unit owners"

2.6 Page 16, line 26, strike "308C.455,"

2.7 Page 17, lines 1 to 5, delete the new language

2.8 Page 20, line 1, delete everything after the second comma and insert "and in addition to
2.9 those requirements:"

2.10 Page 20, delete line 2

2.11 Page 20, line 3, delete everything after "(1)" and insert "no board member, or the spouse,
2.12 sibling, child, or parent of any board member, may have a financial interest in a business
2.13 that the association or a property management company has hired or contracted with for
2.14 goods or services over \$2,000 in a calendar year;"

2.15 Page 20, delete line 4

2.16 Page 20, line 5, after "(2)" insert "no board member, or the spouse, sibling, child, or
2.17 parent of any board member, may"

2.18 Page 20, line 9, after "(3)" insert "no board member may"

2.19 Page 20, line 12, delete ", the board, or the management company or would result or
2.20 would appear to a" and insert a semicolon

2.21 Page 20, delete lines 13 and 14 and insert:

2.22 "(4) a management company, or the employee, owner, or individual with a financial
2.23 interest in a management company, that is providing services to an entity covered by this
2.24 chapter may not have a financial interest in a business the association or management
2.25 company has hired or contracted with for goods or services in excess of \$2,000 in a calendar
2.26 year and may not solicit or accept any gift, money, rebate, gratuity, or direct or indirect
2.27 compensation from any person or entity performing services for the association or for the
2.28 award of a contract for goods or services; or"

2.29 Page 20, line 15, delete "(4)" and insert "(5) no association, or board of directors of an
2.30 association, shall"

3.1 Page 20, line 19, delete "of any amount" and insert "in excess of \$2,000 in a calendar
3.2 year"

3.3 Page 20, after line 19, insert:

3.4 "(i) An annual report must be prepared and signed by each member of the board of
3.5 directors for the association listing all contracts for goods or services for the previous budget
3.6 year, including the purpose of the contract, the amount of the contract, the identity of the
3.7 recipient of the contract award, the date of the meeting the contract was approved, which
3.8 directors were present at the meeting, the date the contract became valid, and if there were
3.9 any fees or payments made related to the contract to a third party or management company.
3.10 The annual report must be sent to each unit owner annually.

3.11 "(j) A property management company that is hired by a board of directors or association
3.12 covered under this section may not enter into an automatically renewing contract for goods
3.13 or services for the association unless the contract provides that the association or management
3.14 company may terminate the contract at anytime with no more than 60 days' notice."

3.15 Page 20, lines 26 and 29, delete "a board" and insert "the annual"

3.16 Page 20, line 27, delete "homeowners" and insert "unit owners"

3.17 Page 26, line 24, delete "member of the homeowners association" and insert "unit owner"

3.18 Page 26, line 26, delete "member" and insert "unit owners to provide"

3.19 Page 28, line 13, delete "member of the homeowners" and insert "unit owner"

3.20 Page 28, line 14, delete "association"

3.21 Page 28, line 15, delete "member" and insert "unit owners to provide"

3.22 Page 40, lines 28 and 29, delete the new language

3.23 Page 46, lines 25 and 26, delete the new language

3.24 Page 48, delete section 17

3.25 Page 54, after line 24, insert:

3.26 "Sec. 19. Laws 2024, chapter 96, article 2, section 13, is amended to read:

3.27 Sec. 13. **EFFECTIVE DATE.**

3.28 This article is effective August 1, ~~2025~~ 2026.

4.1 Sec. 20. **REPEALER.**4.2 Minnesota Statutes 2024, section 308C.003, subdivision 3, is repealed."

4.3 Page 55, after line 11, insert:

4.4 "(c) Nothing in this section prohibits a county from ensuring private common areas or
4.5 facilities within a development comply with maintenance, insurance, and other requirements
4.6 under applicable state law, including under chapter 515, 515A, or 515B."

4.7 Page 55, after line 29, insert:

4.8 "(c) Nothing in this section prohibits a municipality from ensuring private common areas
4.9 or facilities within a development comply with maintenance, insurance, and other
4.10 requirements under applicable state law, including under chapter 515, 515A, or 515B."

4.11 Renumber the sections in sequence

4.12 Amend the title as follows:

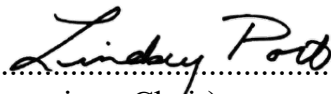
4.13 Page 1, line 2, delete everything after the semicolon and insert "modifying powers and
4.14 duties of common interest communities; modifying rights of a unit owner; modifying
4.15 threshold for termination of a common interest community; establishing a meet and confer
4.16 process; modifying notice of meetings; limiting late fees, fines, and attorney fees; limiting
4.17 proxy voting; modifying foreclosure requirements; modifying regulations for certain housing
4.18 cooperatives; prohibiting local government bodies from requiring or incentivizing creation
4.19 of homeowners associations;"

4.20 Page 1, delete lines 2 to 6

4.21 Page 1, line 7, delete "associations;"

4.22 Amend the title numbers accordingly

4.23 And when so amended the bill do pass and be re-referred to the Committee on Judiciary
4.24 and Public Safety. Amendments adopted. Report adopted.

4.25 
4.26 (Committee Chair)

4.27 March 13, 2025.....
4.28 (Date of Committee recommendation)