

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1268

02/20/2025 Authored by Bahner, Mekeland, Howard, Igo and Moller
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to common interest communities; prohibiting certain practices relating to
1.3 property management companies; modifying rights and duties of common interest
1.4 communities; modifying rights of a unit owner; modifying termination threshold;
1.5 establishing a meet and confer process; modifying notice of meetings; prohibiting
1.6 certain governing bodies from requiring or incentivizing creation of homeowners
1.7 associations; amending Minnesota Statutes 2024, sections 394.25, by adding a
1.8 subdivision; 515B.1-102; 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103;
1.9 515B.3-106; 515B.3-107; 515B.3-108; 515B.3-110; 515B.3-115; 515B.3-1151;
1.10 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-107; 515B.4-116; proposing
1.11 coding for new law in Minnesota Statutes, chapters 325E; 462; 515B.

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

1.13 ARTICLE 1
1.14 PROPERTY MANAGEMENT

1.15 Section 1. 325E.68 PROPERTY MANAGEMENT.

1.16 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

1.17 (b) "Firm" means a corporation, partnership, association, or individual firm.

1.18 (c) "Owner" means a person who has any legal or equitable interest in the real property.

1.19 An owner of a common interest community, as defined in chapter 515B, means the unit
1.20 owners' association organized under section 515B.3-101.

1.21 (d) "Person" means an individual, firm, partnership, limited liability company,
1.22 corporation, or association.

1.23 (e) "Property manager" or "property management company" means a person who engages
1.24 in the business of managing real property that is owned by another person.

2.1 Subd. 2. **Interest of property management company in certain firms.** No property
2.2 manager or property management company having an interest directly or indirectly in a
2.3 construction firm, salvage firm, or appraisal firm may hire the directly or indirectly owned
2.4 construction firm, salvage firm, or appraisal firm to perform work on a managed property
2.5 unless the interest has been disclosed in writing to the owner or owners at least three days
2.6 prior to the execution of a contract for the work.

2.7 Subd. 3. **Prohibited practices.** No property manager or property management company
2.8 shall request or accept money, rebates, or anything of value from a construction firm, salvage
2.9 firm, or appraisal firm as:

2.10 (1) an inducement to refer business or clients to the firm;

2.11 (2) a condition for awarding a contract to the firm;

2.12 (3) part of a fee specified in a contract; or

2.13 (4) fee splitting for services rendered, unless the other person is also a licensed contractor.

2.14 Subd. 4. **Automatic renewal.** A contract between a person and a property manager or
2.15 property management company having a term exceeding one year must not contain an
2.16 automatic renewal provision that requires the association to give notice of nonrenewal more
2.17 than 30 days prior to the contract's anniversary date. The person may terminate a contract
2.18 with a property manager or property management company for any reason upon 60 days'
2.19 notice if the contract violates this subdivision.

2.20 Subd. 5. **Certain compensation prohibited.** A property manager or property management
2.21 company must not be compensated in whole or in part based on the amount of fines collected
2.22 by the property manager or property management company on behalf of the person and
2.23 must not collect from the person or owner any fee in connection with its collection of a fine
2.24 imposed by the association.

2.25 Subd. 6. **Remedies.** If a property manager or property management company violates
2.26 this section, an owner may bring an action against the property manager or property
2.27 management company in a court of competent jurisdiction for damages sustained by the
2.28 owner as a consequence of the property manager's or property management company's
2.29 violation, together with the actual costs of the action, including reasonable attorney fees.
2.30 The remedies in this section are in addition to any other remedies permitted by law.

ARTICLE 2**COMMON INTEREST COMMUNITIES**

Section 1. Minnesota Statutes 2024, section 515B.1-102, is amended to read:

515B.1-102 APPLICABILITY.

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain); 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); 515B.2-108(d) (Allocation of Interests); 515B.2-109(f) (Common Elements and Limited Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102 (Powers of Unit Owners' Association); 515B.3-103(a), (b), and (g) (Board of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Replacement Reserves); 515B.3-115(c), (e), (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for

4.1 Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119
 4.2 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units);
 4.3 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action;
 4.4 Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in
 4.5 construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106,
 4.6 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110,
 4.7 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107,
 4.8 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring
 4.9 on and after June 1, 1994. All other sections referenced in this section apply only with
 4.10 respect to events and circumstances occurring after July 31, 1999. A section referenced in
 4.11 this section does not invalidate the declarations, bylaws or condominium plats of
 4.12 condominiums created before August 1, 1999. But all sections referenced in this section
 4.13 prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of
 4.14 condominiums created before August 1, 1999, except to the extent that this chapter defers
 4.15 to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

4.16 (3) This chapter shall not apply to cooperatives and planned communities created prior
 4.17 to June 1, 1994, or to planned communities that were created on or after June 1, 1994, and
 4.18 before August 1, 2006, and that consist of more than two but fewer than 13 units; except
 4.19 by election pursuant to subsection (d), and except that the following sections apply to all
 4.20 planned communities, townhome associations, and cooperatives regardless of when created,
 4.21 unless they are exempt under subsection (e): sections 515B.1-116, subsections (a), (c), (d),
 4.22 and (e); 515B.3-102, subsections (a), paragraphs (1), (3), (11), and (12), (c), and (g);
 4.23 515B.3-103, subsections (a), (e), paragraph (4), (g), and (h); 515B.3-107, subsections (a),
 4.24 (d), (e), (f), and (g); 515B.3-115, subsections (e), paragraphs (4) and (5), (g), and (k);
 4.25 515.3-1151, subsections (e), paragraphs (4) and (5), (g), and (k); 515.3-116, subsections
 4.26 (a) and (h); 515.3-122; 515B.4-107; and 515B.4-108, apply to all planned communities
 4.27 and cooperatives regardless of when they are created, unless they are exempt under subsection
 4.28 (e).

4.29 (c) This chapter shall not invalidate any amendment to the declaration, bylaws or
 4.30 condominium plat of any condominium created under chapter 515 or 515A if the amendment
 4.31 was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall
 4.32 be adopted in conformity with the procedures and requirements specified by those instruments
 4.33 and by this chapter. If the amendment grants to any person any rights, powers or privileges
 4.34 permitted by this chapter, all correlative obligations, liabilities and restrictions contained
 4.35 in this chapter shall also apply to that person.

5.1 (d) Any condominium created under chapter 515, any planned community or cooperative
5.2 which would be exempt from this chapter under subsection (e), or any planned community
5.3 or cooperative created prior to June 1, 1994, or any planned community that was created
5.4 on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two
5.5 but fewer than 13 units, may elect to be subject to this chapter, as follows:

5.6 (1) The election shall be accomplished by recording a declaration or amended declaration,
5.7 and a new or amended CIC plat where required, and by approving bylaws or amended
5.8 bylaws, which conform to the requirements of this chapter, and which, in the case of
5.9 amendments, are adopted in conformity with the procedures and requirements specified by
5.10 the existing declaration and bylaws of the common interest community, and by any applicable
5.11 statutes.

5.12 (2) In a condominium, the preexisting condominium plat shall be the CIC plat and an
5.13 amended CIC plat shall be required only if the amended declaration or bylaws contain
5.14 provisions inconsistent with the preexisting condominium plat. The condominium's CIC
5.15 number shall be the apartment ownership number or condominium number originally
5.16 assigned to it by the recording officer. In a cooperative in which the unit owners' interests
5.17 are characterized as real estate, a CIC plat shall be required. In a planned community, the
5.18 preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A,
5.19 or the part of the plat or registered land survey upon which the common interest community
5.20 is located, shall be the CIC plat.

5.21 (3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the
5.22 unanimous consent of the unit owners shall not be required for (i) a clarification of the unit
5.23 boundary description if the clarified boundary description is substantially consistent with
5.24 the preexisting CIC plat, or (ii) changes from common elements to limited common elements
5.25 that occur by operation of section 515B.2-109(c) and (d).

5.26 (4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association,
5.27 master association nor unit owner may acquire, increase, waive, reduce or revoke any
5.28 previously existing warranty rights or causes of action that one of said persons has against
5.29 any other of said persons by reason of exercising the right of election under this subsection.

5.30 (5) A common interest community which elects to be subject to this chapter may, as a
5.31 part of the election process, change its form of ownership by complying with section
5.32 515B.2-123.

5.33 (e) Except as otherwise provided in this subsection, this chapter shall not apply, except
5.34 by election pursuant to subsection (d), to the following:

6.1 (1) a planned community which consists of two units, which utilizes a CIC plat complying
6.2 with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not
6.3 subject to any rights to subdivide or convert units or to add additional real estate, and which
6.4 is not subject to a master association;

6.5 (2) a common interest community that consists solely of platted lots or other separate
6.6 parcels of real estate designed or utilized for detached single family dwellings or agricultural
6.7 purposes, with or without common property, where no association or master association
6.8 has an obligation to maintain any building containing a dwelling or any agricultural building
6.9 located or to be located on such platted lots or parcels; except that section 515B.4-101(e)
6.10 shall apply to the sale of such platted lots or parcels of real estate if the common interest
6.11 community is or will be subject to a master declaration;

6.12 (3) a cooperative where, at the time of creation of the cooperative, the unit owners'
6.13 interests in the dwellings as described in the declaration consist solely of proprietary leases
6.14 having an unexpired term of fewer than 20 years, including renewal options;

6.15 (4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1)
6.16 and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the
6.17 declaration to nonresidential uses; or

6.18 (5) real estate subject only to an instrument or instruments filed primarily for the purpose
6.19 of creating or modifying rights with respect to access, utilities, parking, ditches, drainage,
6.20 or irrigation.

6.21 (f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is
6.22 subject to a master declaration and is not subject to or is exempt from this chapter.

6.23 (g) Section 515B.1-106 and section 515B.2-118, subsections (a)(5), (a)(7), and (d), shall
6.24 apply to all common interest communities.

6.25 (h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and
6.26 515B.4-115 apply only to common interest communities created before August 1, 2010.
6.27 Sections 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151, 515B.4-1021, and
6.28 515B.4-1151 apply only to common interest communities created on or after August 1,
6.29 2010.

6.30 (i) Section 515B.3-114 applies to common interest communities only for the association's
6.31 fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common
6.32 interest communities only for the association's fiscal years commencing on or after January
6.33 1, 2012.

7.1 (j) Section 515B.3-104 applies only to transfers of special declarant rights that are
 7.2 effective before August 1, 2010. Section 515B.3-1041, subsections (a) through (i), apply
 7.3 only to transfers of special declarant rights that are effective on or after August 1, 2010.
 7.4 Section 515B.3-1041, subsections (j) and (k), apply only to special declarant rights reserved
 7.5 in a declaration that is first recorded on or after August 1, 2010.

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

7.7 Sec. 2. Minnesota Statutes 2024, section 515B.2-103, is amended to read:

7.8 **515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND**
 7.9 **BYLAWS.**

7.10 (a) All provisions of the declaration and bylaws are severable.

7.11 (b) The rule against perpetuities may not be applied to defeat any provision of the
 7.12 declaration or this chapter, or any instrument executed pursuant to the declaration or this
 7.13 chapter.

7.14 (c) In the event of a conflict between the provisions of the declaration and the bylaws,
 7.15 the declaration prevails except to the extent that the declaration is inconsistent with this
 7.16 chapter. In the event of a conflict between the provisions of the declaration or the bylaws
 7.17 and this chapter, this chapter prevails.

7.18 (d) The declaration and bylaws must comply with sections 500.215, 500.216, and 500.217.

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

7.20 Sec. 3. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

7.21 **515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

7.22 (a) Except as otherwise provided in this chapter, a common interest community may be
 7.23 terminated as follows:

7.24 (1) if the common interest community does not own any common elements, the common
 7.25 interest community may be terminated only by agreement of unit owners of units to which
 7.26 at least 60 percent of the votes in the association are allocated; or

7.27 (2) if the common interest community owns common elements, the common interest
 7.28 community may be terminated only by agreement of unit owners of units to which at least
 7.29 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees
 7.30 of units (each mortgagee having one vote per unit financed), or any larger percentage the

8.1 ~~declaration specifies~~. The declaration may specify a smaller percentage ~~only~~ if all of the
8.2 units are single-family homes or if all of the units are restricted to nonresidential use.

8.3 (b) An agreement to terminate shall be evidenced by a written agreement, executed in
8.4 the same manner as a deed by the number of unit owners ~~and first mortgagees of units~~
8.5 required by subsection (a). The agreement shall specify a date after which the agreement
8.6 shall be void unless recorded before that date. The agreement shall also specify a date by
8.7 which the termination of the common interest community and the winding up of its affairs
8.8 must be accomplished. A certificate of termination executed by the association evidencing
8.9 the termination shall be recorded on or before the termination date, or the agreement to
8.10 terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the
8.11 certificate of termination shall be recorded in every county in which a portion of the common
8.12 interest community is situated and is effective only upon recording.

8.13 (c) In the case of a condominium or planned community containing only units having
8.14 upper and lower boundaries, a termination agreement may provide that all of the common
8.15 elements and units of the common interest community must be sold following termination.
8.16 If, pursuant to the agreement, any real estate in the common interest community is to be
8.17 sold following termination, the termination agreement shall set forth the minimum terms
8.18 of sale acceptable to the association.

8.19 (d) In the case of a condominium or planned community containing any units not having
8.20 upper and lower boundaries, a termination agreement may provide for sale of the common
8.21 elements, but it may not require that the units be sold following termination, unless ~~the~~
8.22 ~~original declaration provided otherwise or~~ all unit owners whose units are to be sold consent
8.23 to the sale.

8.24 (e) The association, on behalf of the unit owners, shall have authority to contract for the
8.25 sale of real estate in a common interest community pursuant to this section, subject to the
8.26 required approval. The agreement to terminate shall be deemed to grant to the association
8.27 a power of attorney coupled with an interest to effect the conveyance of the real estate on
8.28 behalf of the holders of all interests in the units, including without limitation the power to
8.29 execute all instruments of conveyance and related instruments. Until the sale has been
8.30 completed, all instruments in connection with the sale have been executed and the sale
8.31 proceeds distributed, the association shall continue in existence with all powers it had before
8.32 termination.

8.33 (1) The instrument conveying or creating the interest in the common interest community
8.34 shall include as exhibits (i) an affidavit of the secretary of the association certifying that the

9.1 approval required by this section has been obtained and (ii) a schedule of the names of all
9.2 unit owners in the common interest community as of the date of the approval.

9.3 (2) Proceeds of the sale shall be distributed to unit owners and secured parties as their
9.4 interests may appear, in accordance with subsections (h), (i), (j), and (k).

9.5 (3) Unless otherwise specified in the agreement of termination, until the association has
9.6 conveyed title to the real estate, each unit owner and the unit owner's successors in interest
9.7 have an exclusive right to occupancy of the portion of the real estate that formerly constituted
9.8 the unit. During the period of that occupancy, each unit owner and the unit owner's successors
9.9 in interest remain liable for all assessments and other obligations imposed on unit owners
9.10 by this chapter, the declaration or the bylaws.

9.11 (f) The legal description of the real estate constituting the common interest community
9.12 shall, upon the date of recording of the certificate of termination referred to in subsection
9.13 (b), be as follows:

9.14 (1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1)
9.15 and (2), the lot and block description contained in the CIC plat, and any amendments thereto,
9.16 subject to any subsequent conveyance or taking of a fee interest in any part of the property.

9.17 (2) In a condominium or cooperative, or a planned community utilizing a CIC plat
9.18 complying with section 515B.2-110(c), the underlying legal description of the real estate
9.19 as set forth in the declaration creating the common interest community, and any amendments
9.20 thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the
9.21 property.

9.22 (3) The legal description referred to in this subsection shall apply upon the recording of
9.23 the certificate of termination. The recording officer for each county in which the common
9.24 interest community is located shall index the property located in that county in its records
9.25 under the legal description required by this subsection from and after the date of recording
9.26 of the certificate of termination. In the case of registered property, the registrar of titles shall
9.27 cancel the existing certificates of title with respect to the property and issue one or more
9.28 certificates of title for the property utilizing the legal description required by this subsection.

9.29 (g) In a condominium or planned community, if the agreement to terminate provides
9.30 that the real estate constituting the common interest community is not to be sold following
9.31 termination, title to the common elements and, in a common interest community containing
9.32 only units having upper and lower boundaries described in the declaration, title to all the
9.33 real estate in the common interest community, vests in the unit owners upon termination as
9.34 tenants in common in proportion to their respective interest as provided in subsection (k),

10.1 and liens on the units shift accordingly. While the tenancy in common exists, each unit
10.2 owner and the unit owner's successors in interest have an exclusive right to occupancy of
10.3 the portion of the real estate that formerly constituted the unit.

10.4 (h) The proceeds of any sale of real estate pursuant to subsection (e), together with the
10.5 assets of the association, shall be held by the association as trustee for unit owners, secured
10.6 parties and other holders of liens on the units as their interests may appear. Before distributing
10.7 any proceeds, the association shall have authority to deduct from the proceeds of sale due
10.8 with respect to the unit (i) unpaid assessments levied by the association with respect to the
10.9 unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and
10.10 (iii) the share of expenses of sale and winding up of the association's affairs with respect to
10.11 the unit.

10.12 (i) Following termination of a condominium or planned community, creditors of the
10.13 association holding liens on the units perfected before termination may enforce those liens
10.14 in the same manner as any lienholder, in order of priority based upon their times of perfection.
10.15 All other creditors of the association are to be treated as if they had perfected liens on the
10.16 units immediately before termination.

10.17 (j) In a cooperative, the declaration may provide that all creditors of the association have
10.18 priority over any interests of unit owners and creditors of unit owners. In that event, following
10.19 termination, creditors of the association holding liens on the cooperative which were perfected
10.20 before termination may enforce their liens in the same manner as any lienholder, in order
10.21 of priority based upon their times of perfection. All other creditors of the association shall
10.22 be treated as if they had perfected a lien against the cooperative immediately before
10.23 termination. Unless the declaration provides that all creditors of the association have that
10.24 priority:

10.25 (1) the lien of each creditor of the association which was perfected against the association
10.26 before termination becomes, upon termination, a lien against each unit owner's interest in
10.27 the unit as of the date the lien was perfected;

10.28 (2) any other creditor of the association is to be treated upon termination as if the creditor
10.29 had perfected a lien against each unit owner's interest immediately before termination;

10.30 (3) the amount of the lien of an association's creditor described in paragraphs (1) and
10.31 (2) against each of the unit owners' interest shall be proportionate to the ratio which each
10.32 unit's common expense liability bears to the common expense liability of all of the units;

11.1 (4) the lien of each creditor of each unit owner which was perfected before termination
11.2 continues as a lien against that unit owner's interest in the unit as of the date the lien was
11.3 perfected; and

11.4 (5) the assets of the association shall be distributed to all unit owners and all lienholders
11.5 as their interests may appear in the order described in this section. Creditors of the association
11.6 are not entitled to payment from any unit owner in excess of the amount of the creditor's
11.7 lien against that unit owner's interest.

11.8 (k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and
11.9 (i) are as follows:

11.10 (1) Except as provided in paragraph (2), the respective interests of unit owners are the
11.11 fair market values of their units, allocated interests, and any limited common elements
11.12 immediately before the termination, as determined by one or more independent appraisers
11.13 selected by the association. The decision of the independent appraisers must be distributed
11.14 to the unit owners and becomes final unless disapproved within 30 days after distribution
11.15 by unit owners of units to which 25 percent of the votes in the association are allocated.
11.16 The proportion of any unit's interest to that of all units is determined by dividing the fair
11.17 market value of that unit by the total fair market values of all the units.

11.18 (2) If any unit or any limited common element is destroyed to the extent that an appraisal
11.19 of the fair market value thereof before destruction cannot be made, the interests of all unit
11.20 owners shall be measured by: (i) in a condominium, their allocations of common element
11.21 interests immediately before the termination, (ii) in a cooperative, their respective ownership
11.22 interests immediately before the termination, and (iii) in a planned community, their
11.23 respective allocations of common expenses immediately before the termination.

11.24 (l) In a condominium or planned community, except as provided in subsection (m),
11.25 foreclosure or enforcement of a lien or encumbrance against the entire common interest
11.26 community does not terminate, of itself, the common interest community, and foreclosure
11.27 or enforcement of a lien or encumbrance against a portion of the common interest community
11.28 does not withdraw that portion from the common interest community.

11.29 (m) In a condominium or planned community, if a lien or encumbrance against a portion
11.30 of the real estate comprising the common interest community has priority over the declaration
11.31 and the lien or encumbrance has not been partially released, the parties foreclosing the lien
11.32 or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject
11.33 to that lien or encumbrance from the common interest community.

12.1 (n) Following the termination of a common interest community in accordance with this
12.2 section, the association shall be dissolved in accordance with law.

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

12.4 Sec. 4. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

12.5 **515B.3-102 POWERS AND DUTIES OF UNIT OWNERS' ASSOCIATION.**

12.6 (a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions
12.7 of the declaration or bylaws, the association shall have the power to:

12.8 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
12.9 incorporation, bylaws and declaration, and consistent with the requirements of subsection
12.10 (g) as follows: (i) regulating the use of the common elements; (ii) regulating the use of the
12.11 units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of
12.12 other occupants, which involves noise or other disturbing activity, or which may damage
12.13 the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating
12.14 changes in the appearance of the common elements and conduct which may damage the
12.15 common interest community; (v) regulating the exterior appearance of the common interest
12.16 community, including, for example, balconies and patios, window treatments, and signs
12.17 and other displays, regardless of whether inside a unit; (vi) implementing the articles of
12.18 incorporation, declaration and bylaws, and exercising the powers granted by this section;
12.19 and (vii) otherwise facilitating the operation of the common interest community. The
12.20 association must prepare a plain-language explanation of the current declaration and articles
12.21 of incorporation for unit owners;

12.22 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
12.23 collect assessments for common expenses from unit owners;

12.24 (3) hire and discharge managing agents and other employees, agents, and independent
12.25 contractors;

12.26 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
12.27 own name on behalf of itself or two or more unit owners on matters affecting the common
12.28 elements or other matters affecting the common interest community or, (ii) with the consent
12.29 of the owners of the affected units on matters affecting only those units;

12.30 (5) make contracts and incur liabilities;

12.31 (6) regulate the use, maintenance, repair, replacement, and modification of the common
12.32 elements and the units;

13.1 (7) cause improvements to be made as a part of the common elements, and, in the case
13.2 of a cooperative, the units;

13.3 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
13.4 real estate or personal property, but (i) common elements in a condominium or planned
13.5 community may be conveyed or subjected to a security interest only pursuant to section
13.6 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
13.7 may be subjected to a security interest, only pursuant to section 515B.3-112;

13.8 (9) grant or amend easements for public utilities, public rights-of-way or other public
13.9 purposes, and cable television or other communications, through, over or under the common
13.10 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
13.11 by the declaration; and, subject to approval by a vote of unit owners other than declarant
13.12 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
13.13 the common elements;

13.14 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
13.15 of the common elements, other than limited common elements, and for services provided
13.16 to unit owners. The association must compile and provide to every unit owner a schedule
13.17 of the fees and charges that may be imposed;

13.18 (11) impose ~~interest and a late charges fee~~ for late payment of assessments, provided
13.19 that an association may not impose a late fee in excess of \$15; may not impose, for a special
13.20 assessment, an amount greater than five percent of the amount owed or more than \$100,
13.21 whichever is lower; and, after notice and an opportunity to be heard before the board or a
13.22 committee appointed by it, levy ~~reasonable~~ fines for violations of the declaration, bylaws,
13.23 and rules and regulations of the association as specified in subsection (c), provided that
13.24 attorney fees and costs must not be charged or collected from a unit owner who disputes or
13.25 questions a fine or assessment and, if after the homeowner requests a hearing and a hearing
13.26 is held by the board or a committee of the board, the board does not adopt a resolution
13.27 levying the fine or upholding the assessment against the unit owner or owner's unit;

13.28 (12) impose reasonable charges for the review, preparation and recordation of
13.29 amendments to the declaration; or resale certificates required by section 515B.4-107,
13.30 statements of unpaid assessments, or furnishing copies of association records provided that
13.31 the association may not impose any charges, including attorney fees, to respond to a question
13.32 about any governing document or any aspect of the operation or management of the common
13.33 interest community posed by a unit owner to the association;

14.1 (13) provide for the indemnification of its officers and directors, and maintain directors'
14.2 and officers' liability insurance;

14.3 (14) provide for reasonable procedures governing the conduct of meetings and election
14.4 of directors; and

14.5 (15) exercise any other powers conferred by law, or by the declaration, articles of
14.6 incorporation or bylaws; and.

14.7 ~~(16) exercise any other powers necessary and proper for the governance and operation~~
14.8 ~~of the association.~~

14.9 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
14.10 on the power of the association to deal with the declarant which are more restrictive than
14.11 the limitations imposed on the power of the association to deal with other persons.

14.12 (c) An association must adopt and provide to every unit owner a policy regarding fines
14.13 that includes a list of the violations for which a fine may be imposed and a schedule of fines
14.14 for those violations. The association must provide the unit owner with a reasonable time to
14.15 correct the violation before a fine may be imposed. A fine levied pursuant to subsection
14.16 (a)(11), must be commensurate with the violation and must not exceed \$100 for a single
14.17 violation, and when combined with additional fines for an ongoing violation, late fees, and
14.18 other allowable charges, must not exceed \$2,500 in total for the violation. An association
14.19 that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section
14.20 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner
14.21 that:

14.22 (1) states the amount and reason for the fine or assessment;

14.23 (2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which
14.24 a fine is being levied and the date of the levy; and (ii) the specific section of the declaration,
14.25 bylaws, rules, or regulations allegedly violated;

14.26 (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:
14.27 (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

14.28 (4) states that all unpaid ~~fines and~~ assessments are liens which, if not satisfied, could
14.29 lead to foreclosure of the lien against the owner's unit;

14.30 (5) describes the unit owner's right to be heard by the board or a committee appointed
14.31 by the board and the procedures for disputing the fine;

15.1 (6) states that if the assessment, fine, late fees, and other allowable charges are not paid,
15.2 the amount may increase as a result of the imposition of attorney fees and other collection
15.3 costs; and

15.4 (7) informs the unit owner that homeownership assistance is available from the Minnesota
15.5 Homeownership Center.

15.6 (d) Notwithstanding subsection (a), powers exercised under this section must comply
15.7 with sections 500.215, 500.216, and 500.217.

15.8 (e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
15.9 association, before instituting litigation or arbitration involving construction defect claims
15.10 against a development party, shall:

15.11 (1) mail or deliver written notice of the anticipated commencement of the action to each
15.12 unit owner at the addresses, if any, established for notices to owners in the declaration and,
15.13 if the declaration does not state how notices are to be given to owners, to the owner's last
15.14 known address. The notice shall specify the nature of the construction defect claims to be
15.15 alleged, the relief sought, and the manner in which the association proposes to fund the cost
15.16 of pursuing the construction defect claims; and

15.17 (2) obtain the approval of owners of units to which a majority of the total votes in the
15.18 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
15.19 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
15.20 are excluded. The association may obtain the required approval by a vote at an annual or
15.21 special meeting of the members or, if authorized by the statute under which the association
15.22 is created and taken in compliance with that statute, by a vote of the members taken by
15.23 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
15.24 means or mailed ballots is authorized by that statute, the association shall also provide for
15.25 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
15.26 or mailed ballots, except that the votes must be used in combination with the vote taken at
15.27 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
15.28 for purposes of determining whether a quorum was present. Proxies may not be used for a
15.29 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
15.30 the notice required under subsection (e)(1) and the proxy expressly references this notice.

15.31 (f) The association may intervene in a litigation or arbitration involving a construction
15.32 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
15.33 claim before complying with subsections (e)(1) and (e)(2) but the association's complaint
15.34 in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without

16.1 prejudice unless the association has complied with the requirements of subsection (e) within
 16.2 90 days of the association's commencement of the complaint in an intervention or the
 16.3 assertion of the counterclaim, crossclaim, or third-party claim.

16.4 (g) Rules and regulations adopted must not be arbitrary or capricious and must otherwise
 16.5 be reasonable. An association must give unit owners 60 days' advance notice of a board's
 16.6 intention to adopt a new rule, or amend or revoke a rule. A rule change must be approved
 16.7 at a board meeting, and an association must give homeowners the opportunity to comment
 16.8 on the proposed rule change at the meeting at which the change is considered. Any rule in
 16.9 effect may be revoked by a majority vote of the unit owners at a board meeting, where unit
 16.10 owners may vote in person, by a written statement signed and dated by the unit owner prior
 16.11 to the meeting at which revocation is considered, or by proxy.

16.12 (h) Each association must adopt procedures for dispute resolution and the meet and
 16.13 confer process as provided under section 515B.3-122.

16.14 (i) Associations must not sell or assign any debt owed by a unit owner.

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

16.16 Sec. 5. Minnesota Statutes 2024, section 515B.3-103, is amended to read:

16.17 **515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT**
 16.18 **CONTROL.**

16.19 (a) An association shall be governed by a board of directors whose appointment or
 16.20 election shall occur no later than the date of creation of the common interest community
 16.21 and shall be reflected in the association's records. Except as expressly prohibited by the
 16.22 declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this
 16.23 chapter, the board may act in all instances on behalf of the association. In the performance
 16.24 of their duties, the officers and directors are required to exercise (i) if appointed by the
 16.25 declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit
 16.26 owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or
 16.27 317A.251, as applicable. The officers and directors appointed by the declarant shall have
 16.28 a duty to fulfill, and to cause the association to fulfill, their respective obligations under the
 16.29 declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions
 16.30 of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners,
 16.31 including the declarant and its affiliates, in a uniform and fair manner. The standards of
 16.32 conduct for officers and directors set forth in this subsection shall also apply to the officers
 16.33 and directors of master associations in the exercise of their duties on behalf of the master

17.1 association. The association must provide a publication to each director explaining in plain
17.2 language:

17.3 (1) the role of a director under this chapter; and

17.4 (2) all the rights and responsibilities of a director and the board of directors under this
17.5 chapter.

17.6 (b) The board may not act unilaterally to amend the declaration, to terminate the common
17.7 interest community, to elect directors to the board, or to determine the qualifications, powers
17.8 and duties, or terms of office of directors, but the board may fill vacancies in its membership
17.9 created other than by removal by the vote of the association members for the unexpired
17.10 portion of any term.

17.11 (c) The declaration may provide for a period of declarant control of the association,
17.12 during which a declarant, or persons designated by the declarant, may appoint and remove
17.13 the officers and directors of the association. The period of declarant control begins on the
17.14 date of creation of the common interest community and terminates upon the earliest of the
17.15 following events: (i) five years after the date of the first conveyance of a unit to a unit owner
17.16 other than a declarant in the case of a flexible common interest community or three years
17.17 in the case of any other common interest community, (ii) the declarant's voluntary surrender
17.18 of control by giving written notice to the unit owners pursuant to section 515B.1-115, or
17.19 (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

17.20 (d) The board shall cause a meeting of the unit owners to be called, as follows:

17.21 (1) If the period of declarant control has terminated pursuant to subsection (c), a meeting
17.22 of the unit owners shall be called and held within 60 days after said termination, at which
17.23 the board shall be appointed or elected by all unit owners, including declarant, subject to
17.24 the requirements of subsection (e).

17.25 (2) If 50 percent of the units that a declarant is authorized by the declaration to create
17.26 have been conveyed prior to the termination of the declarant control period, a meeting of
17.27 the unit owners shall be called and held within 60 days thereafter, at which not less than
17.28 33-1/3 percent of the members of the board shall be elected by unit owners other than a
17.29 declarant or an affiliate of a declarant.

17.30 (3) If the board fails or refuses to cause a meeting of the unit owners required to be called
17.31 pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may
17.32 cause the meeting to be called pursuant to the applicable provisions of the law under which
17.33 the association was created. The declarant and its affiliates shall be deemed to be present

18.1 at the meeting for purposes of establishing a quorum regardless of their failure to attend the
18.2 meeting.

18.3 (e) Following the termination of any period of declarant control, the unit owners shall
18.4 appoint or elect the board. All unit owners, including the declarant and its affiliates, may
18.5 cast the votes allocated to any units owned by them. The board shall thereafter be subject
18.6 to the following:

18.7 (1) Unless otherwise approved by a vote of unit owners other than the declarant or an
18.8 affiliate of the declarant, a majority of the directors shall be unit owners or a natural person
18.9 designated by a unit owner that is not a natural person, other than a declarant or an affiliate
18.10 of a declarant. The remaining directors need not be unit owners unless required by the
18.11 articles of incorporation or bylaws.

18.12 (2) Subject to the requirements of subsection (e)(1), the articles of incorporation or
18.13 bylaws may authorize the declarant or a person designated by the declarant to appoint one
18.14 director, who need not be a member. The articles of incorporation or bylaws shall not be
18.15 amended to change or terminate the authorization to appoint one director without the written
18.16 consent of the declarant or other person possessing the power to appoint.

18.17 (3) Subject to the requirements of subsection (e)(1), the articles of incorporation or
18.18 bylaws may authorize special classes of directors and director voting rights, as follows: (i)
18.19 classes of directors, (ii) the appointment or election of directors in certain classes by certain
18.20 classes of members, or (iii) class voting by classes of directors on issues affecting only a
18.21 certain class or classes of members, units, or other parcels of real estate, or to otherwise
18.22 protect the legitimate interest of such class or classes. No person may utilize such special
18.23 classes or class voting for the purpose of evading any limitation imposed on declarants by
18.24 this chapter.

18.25 (4) The board shall elect the officers. The directors and officers shall take office upon
18.26 election.

18.27 (f) In determining whether the period of declarant control has terminated under subsection
18.28 (c), or whether unit owners other than a declarant are entitled to elect members of the board
18.29 of directors under subsection (d), the percentage of the units conveyed shall be calculated
18.30 using as a numerator the number of units conveyed and as a denominator the number of
18.31 units subject to the declaration plus the number of units which the declarant is authorized
18.32 by the declaration to create on any additional real estate. The percentages referred to in
18.33 subsections (c) and (d) shall be calculated without reference to units that are auxiliary to

19.1 other units, such as garage units or storage units. A person shall not use a master association
19.2 or other device to evade the requirements of this section.

19.3 (g) Except as otherwise provided in this subsection, all meetings of the board of directors
19.4 must be open to the unit owners. ~~To the extent practicable,~~ The board shall give reasonable
19.5 notice to the unit owners of the date, time, ~~and~~ place, and agenda of a board meeting. If the
19.6 date, time, and place of meetings are provided for in the declaration, articles, or bylaws,
19.7 announced at a previous meeting of the board, posted in a location accessible to the unit
19.8 owners and designated by the board from time to time, or if an emergency requires immediate
19.9 consideration of a matter by the board, notice is not required. "Notice" has the meaning
19.10 given in section 317A.011, subdivision 14. Prior to the board taking action on an agenda
19.11 item, any unit owner or any person designated in writing by a member as the member's
19.12 representative must be permitted to attend and speak during any meeting on any subject
19.13 that is on the meeting agenda. A time must be designated by the board at each meeting for
19.14 any unit owner, or the unit owner's designee, to raise any issue that is not on the meeting
19.15 agenda and that is related to the association or the common interest community. The board
19.16 may place a reasonable limit on the time a member is allowed to speak. Meetings may occur
19.17 virtually but an association must provide access to all members to assert their right under
19.18 this section, including technical assistance to participate in virtual meetings and electronic
19.19 voting. Meetings may be closed to discuss the following:

19.20 (1) personnel matters;

19.21 (2) pending or potential litigation, arbitration or other potentially adversarial proceedings,
19.22 between unit owners, between the board or association and unit owners, or other matters in
19.23 which any unit owner may have an adversarial interest, if the board determines that closing
19.24 the meeting is necessary to discuss strategy or to otherwise protect the position of the board
19.25 or association or the privacy of a unit owner or occupant of a unit; or

19.26 (3) criminal activity arising within the common interest community if the board
19.27 determines that closing the meeting is necessary to protect the privacy of the victim or that
19.28 opening the meeting would jeopardize investigation of the activity.

19.29 Nothing in this subsection imposes a duty on the board to provide special facilities for
19.30 meetings. The failure to give notice as required by this subsection shall not invalidate the
19.31 board meeting or any action taken at the meeting. The minutes of any part of a meeting that
19.32 is closed under this subsection may be kept confidential at the discretion of the board.

19.33 (h) The conflict of interest standards set forth in section 317A.255 are required of officers
19.34 and directors and apply to an actual or potential conflict of interest that arises concerning

20.1 an officer or director, regardless of whether appointed or elected, provided that no board
 20.2 member may:

20.3 (1) have any financial interest in a business in which the association or any board member
 20.4 has a contract or other business relationship;

20.5 (2) solicit or accept any form of direct or indirect compensation, gift, money, rebate,
 20.6 gratuity, remuneration of any kind, or anything of value from any person or entity performing
 20.7 services for the association or a board member or any person or entity with which the
 20.8 association or a board member has a contract or other business relationship;

20.9 (3) solicit or accept any gift, money, rebate, any form of direct or indirect compensation,
 20.10 gratuity, remuneration of any kind, or anything of value that would improperly influence
 20.11 or would appear to a reasonable person to improperly influence the decisions made by the
 20.12 association, the board, or the management company or would result or would appear to a
 20.13 reasonable person to result in a conflict of interest for the management company, its owner
 20.14 or owners, managerial officials, or any employee of the management company; or

20.15 (4) enter into a contract or any other business relationship on behalf of an association
 20.16 or a board member from which the management company, its owner or owners, any of its
 20.17 managerial officials, or any of its employees or any spouse, domestic partner, or relative of
 20.18 the owner or owners, managerial officials, or any employee of the management company
 20.19 has received or could receive a direct or indirect financial benefit of any amount.

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

20.21 Sec. 6. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

20.22 **515B.3-106 BYLAWS; ANNUAL REPORT.**

20.23 (a) A common interest community shall have bylaws which comply with this chapter
 20.24 and the statute under which the association is incorporated. The bylaws and any amendments
 20.25 may be recorded, but need not be recorded to be effective unless so provided in the bylaws.
 20.26 Any amendment, addition, or repeal of the bylaws must be approved at a board meeting,
 20.27 and an association must give homeowners the opportunity to comment on the proposed
 20.28 change at the meeting at which the change is considered. Any bylaw in effect may be revoked
 20.29 by a majority vote of the unit owners at a board meeting, where unit owners may vote in
 20.30 person, by a written statement signed and dated by the unit owner prior to the meeting at
 20.31 which revocation is considered, or by proxy.

20.32 (b) The bylaws shall provide that, in addition to any statutory requirements:

21.1 (1) A meeting of the members shall be held at least once each year, and a specified
21.2 officer of the association shall give notice of the meeting as provided in section 515B.3-108.

21.3 (2) An annual report shall be prepared by the association and a copy of the report shall
21.4 be provided to each unit owner at or prior to the annual meeting.

21.5 (c) The annual report shall contain at a minimum:

21.6 (1) a statement of any capital expenditures in excess of two percent of the current budget
21.7 or \$5,000, whichever is greater, approved by the association for the current fiscal year or
21.8 succeeding two fiscal years;

21.9 (2) a statement of the association's total replacement reserves, the components of the
21.10 common interest community for which the reserves are set aside, and the amounts of the
21.11 reserves, if any, that the board has allocated for the replacement of each of those components;

21.12 (3) a copy of the statement of revenues and expenses for the association's last fiscal year,
21.13 and a balance sheet as of the end of said fiscal year;

21.14 (4) a statement of the status of any pending litigation or judgments to which the
21.15 association is a party;

21.16 (5) a detailed description of the insurance coverage provided by the association including
21.17 a statement as to which, if any, of the items referred to in section 515B.3-113, subsection
21.18 (b), are insured by the association; and

21.19 (6) a statement of the total past due assessments on all units, current as of not more than
21.20 60 days prior to the date of the meeting.

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

21.22 Sec. 7. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

21.23 **515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

21.24 (a) Except to the extent provided by the declaration, this subsection or section
21.25 515B.3-113, the association is responsible for the maintenance, repair and replacement of
21.26 the common elements, and each unit owner is responsible for the maintenance, repair and
21.27 replacement of the unit owner's unit. A management company may not require an association
21.28 to work with a particular vendor. Damage to the common elements or any unit as a result
21.29 of the acts or omissions of a unit owner or the association, including damage resulting from
21.30 the unit owner's or association's lack of maintenance or failure to perform necessary repairs
21.31 or replacement, is the responsibility of the unit owner or association responsible for causing

22.1 the damage, or whose agents or, subject to section 515B.3-115, subsection (g), and section
22.2 515B.3-1151, subsection (g), invitees caused the damage.

22.3 (b) The association's board of directors shall prepare and approve a written preventative
22.4 maintenance plan, maintenance schedule, and maintenance budget for the common elements.
22.5 The association shall follow the approved preventative maintenance plan. The association's
22.6 board may amend, modify, or replace an approved preventative maintenance plan or an
22.7 approved maintenance schedule from time to time. The association must provide all unit
22.8 owners with a paper copy, electronic copy, or electronic access to the preventative
22.9 maintenance plan, the maintenance schedule, and any amendments or modifications to or
22.10 replacements of the preventative maintenance plan and the maintenance schedule. If a
22.11 common interest community was created on or before August 1, 2017, the association's
22.12 board of directors shall have until January 1, 2019, to comply with the requirements of this
22.13 subsection.

22.14 (c) The association shall have access through and into each unit for purposes of
22.15 performing maintenance, repair or replacement for which the association may be responsible.
22.16 The association and any public safety personnel shall also have access for purposes of
22.17 abating or correcting any condition in the unit which violates any governmental law,
22.18 ordinance or regulation, which may cause material damage to or jeopardize the safety of
22.19 the common interest community, or which may constitute a health or safety hazard for
22.20 occupants of units.

22.21 (d) Neither the association, nor any unit owner other than the declarant or its affiliates,
22.22 is subject to a claim for payment of expenses incurred in connection with any additional
22.23 real estate.

22.24 (e) In exercising any authority granted to it under the declaration to approve or disapprove
22.25 proposed changes to a unit or limited common element, the association's board shall provide
22.26 a fair, reasonable, and expeditious procedure for making any decision. The procedure shall
22.27 be set forth in the association's governing documents. The procedures shall state the
22.28 maximum time for issuance of any decision on a proposal or a request for consideration.
22.29 At a minimum, the association's board must make a decision within 90 days after the initial
22.30 submission of the proposal or submission of any additional information or changes to the
22.31 proposal requested by the association's board in response to the initial submission. A decision
22.32 must be in writing, must be made in good faith, and must not be unreasonable, arbitrary, or
22.33 capricious. If the proposal is disapproved, the decision must include both an explanation of
22.34 why the proposal is disapproved and a description of the procedure for reconsideration of
22.35 the decision by the association's board.

23.1 (f) Unless expressly provided for in the declaration, the association must not enforce
 23.2 any restriction on parking of a personal vehicle on a public street or public road for which
 23.3 the state or local government has assumed responsibility for maintenance and repairs, unless
 23.4 the authority to regulate such parking has been expressly delegated to the association by
 23.5 the state or local government under terms prescribing the manner in which the association
 23.6 may exercise that authority. Any such delegation is valid for a period not to exceed five
 23.7 years, at which time the association must reapply to the delegating entity. As used in this
 23.8 subsection, "personal vehicle" means an automobile with a gross weight of less than 26,001
 23.9 pounds that is used for personal pleasure, travel, or commuting to and from a place of work,
 23.10 and does not include a motor home or self-propelled recreational vehicle, or an automobile
 23.11 that is otherwise used primarily in connection with any commercial endeavor or business.

23.12 (g) A unit owner or resident may park a work vehicle, including but not limited to a van,
 23.13 pickup truck, small truck, ambulance, law enforcement vehicle, utility company vehicle, or
 23.14 emergency response vehicle, on the unit owner's property or curtilage, provided the vehicle's
 23.15 length does not encroach on another unit owner's property or interfere with the association's
 23.16 ability to maintain roads or common elements. An association must not prohibit or restrict
 23.17 this parking.

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

23.19 Sec. 8. Minnesota Statutes 2024, section 515B.3-108, is amended to read:

23.20 **515B.3-108 MEETINGS.**

23.21 (a) A meeting of the association shall be held at least once each year. At each annual
 23.22 meeting, there shall be, at a minimum, (i) an election of successor directors for those directors
 23.23 whose terms have expired, (ii) a report on the activities and financial condition of the
 23.24 association, and (iii) consideration of and action on any other matters included in the notice
 23.25 of meeting. Unless the bylaws provide otherwise, special meetings of the association may
 23.26 be called by the president and shall be called by the president or secretary upon the written
 23.27 petition of a majority of the board or unit owners entitled to cast at least 20 percent of the
 23.28 votes in the association.

23.29 (b) Not less than 21 nor more than 30 days in advance of any annual meeting, and not
 23.30 less than seven nor more than 30 days in advance of any special meeting, the secretary or
 23.31 other officer specified in the bylaws shall cause notice to be hand delivered or sent postage
 23.32 prepaid by United States mail to the mailing address of each unit, or to any other address
 23.33 designated in writing by the unit owner to the association as provided in the bylaws or by
 23.34 statute.

24.1 (c) The notice of any meeting shall state the date, time and place of the meeting, the
24.2 purposes of the meeting, and, if proxies are permitted, the procedures for appointing proxies.
24.3 The notice must include copies of any documents that are subject to discussion or approval
24.4 at the meeting, including the budget.

24.5 (d) The board may provide for reasonable procedures governing the conduct of meetings
24.6 and elections.

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

24.8 Sec. 9. Minnesota Statutes 2024, section 515B.3-110, is amended to read:

24.9 **515B.3-110 VOTING; PROXIES.**

24.10 (a) At any meeting of the association an owner or the holder of the owner's proxy shall
24.11 be entitled to cast the vote which is allocated to the unit. If there is more than one owner of
24.12 a unit, only one of the owners may cast the vote. If the owners of a unit fail to agree and
24.13 notify the association as to who shall cast the vote, the vote shall not be cast. Any provision
24.14 in the articles of incorporation, bylaws, declaration, or other document restricting a unit
24.15 owner's right to vote, or affecting quorum requirements, by reason of nonpayment of
24.16 assessments, or a purported violation of any provision of the documents governing the
24.17 common interest community, shall be void.

24.18 (b) If permitted by the articles or bylaws, votes allocated to a unit may be cast pursuant
24.19 to a proxy executed by the unit owner entitled to cast the vote for that unit. The board may
24.20 specify the form of proxy and proxy rules, consistent with law. A current board member
24.21 cannot act as a proxy for a unit owner. No more than 20 percent of votes cast on any single
24.22 vote can be by proxy.

24.23 (c) Except as provided in section 515B.3-106, if authorized by the statute under which
24.24 the association is created, and to the extent not limited or prohibited by the articles of
24.25 incorporation, bylaws, or declaration, the vote on any issue or issues may be taken by
24.26 electronic means or by mailed ballots, in compliance with the applicable statute, in lieu of
24.27 holding a meeting of the unit owners. Such a vote shall have the force and effect of a vote
24.28 taken at a meeting; provided, that the total votes cast are at least equal to the votes required
24.29 for a quorum. The board shall set a voting period within which the ballots or other voting
24.30 response must be received by the association, which period shall be not less than 15 nor
24.31 more than 45 days after the date of delivery of the notice of the vote and voting procedures
24.32 to the unit owners. The board of directors shall provide notice of the results of the vote to
24.33 the unit owners within 30 days after the expiration of the voting period. All requirements

25.1 in this chapter, the declaration or the bylaws for a meeting of the unit owners, or being
 25.2 present in person, shall be deemed satisfied by a vote taken in compliance with the
 25.3 requirements of this section. The voting procedures authorized by this section shall not be
 25.4 used in combination with a vote taken at a meeting of the unit owners. However, voting by
 25.5 electronic means and mailed ballot may be combined if each is done in compliance with
 25.6 the applicable statute.

25.7 (d) The articles of incorporation or bylaws may authorize class voting by unit owners
 25.8 for directors or on specified issues affecting the class. Class voting may only be used to
 25.9 address operational, physical, or administrative differences within the common interest
 25.10 community. A declarant shall not use class voting to evade any limit imposed on declarants
 25.11 by this chapter and units shall not constitute a class because they are owned by a declarant.

25.12 (e) The declaration or bylaws may provide that votes on specified matters affecting the
 25.13 common interest community be cast by lessees or secured parties rather than unit owners;
 25.14 provided that (i) the provisions of subsections (a), (b), and (c) apply to those persons as if
 25.15 they were unit owners; (ii) unit owners who have so delegated their votes to other persons
 25.16 may not cast votes on those specified matters; (iii) lessees or secured parties are entitled to
 25.17 notice of meetings, access to records, and other rights respecting those matters as if they
 25.18 were unit owners, and (iv) the lessee or secured party has filed satisfactory evidence of its
 25.19 interest with the secretary of the association prior to the meeting. Unit owners must also be
 25.20 given notice, in the manner provided in section 515B.3-108(b), of meetings at which lessees
 25.21 or secured parties are entitled to vote.

25.22 (f) No votes allocated to a unit owned by the association may be cast nor counted toward
 25.23 a quorum.

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

25.25 Sec. 10. Minnesota Statutes 2024, section 515B.3-115, is amended to read:

25.26 **515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED**
 25.27 **BEFORE AUGUST 1, 2010.**

25.28 (a) The obligation of a unit owner to pay common expense assessments shall be as
 25.29 follows:

25.30 (1) If a common expense assessment has not been levied, the declarant shall pay all
 25.31 operating expenses of the common interest community, and shall fund the replacement
 25.32 reserve component of the common expenses as required by subsection (b).

26.1 (2) If a common expense assessment has been levied, all unit owners, including the
26.2 declarant, shall pay the assessments allocated to their units, subject to the following:

26.3 (i) If the declaration so provides, a declarant's liability, and the assessment lien, for the
26.4 common expense assessments, exclusive of replacement reserves, on any unit owned by
26.5 the declarant may be limited to 25 percent or more of any assessment, exclusive of
26.6 replacement reserves, until the unit or any building located in the unit is substantially
26.7 completed. Substantial completion shall be evidenced by a certificate of occupancy in any
26.8 jurisdiction that issues the certificate.

26.9 (ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i),
26.10 the declarant shall be obligated, within 60 days following the termination of the period of
26.11 declarant control, to make up any operating deficit incurred by the association during the
26.12 period of declarant control. The existence and amount, if any, of the operating deficit shall
26.13 be determined using the accrual basis of accounting applied as of the date of termination
26.14 of the period of declarant control, regardless of the accounting methodology previously
26.15 used by the association to maintain its accounts.

26.16 (b) The replacement reserve component of the common expenses shall be funded for
26.17 each unit in accordance with the projected annual budget required by section
26.18 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit
26.19 shall commence no later than the date that the unit or any building located within the unit
26.20 boundaries is substantially completed. Substantial completion shall be evidenced by a
26.21 certificate of occupancy in any jurisdiction that issues the certificate.

26.22 (c) After an assessment has been levied by the association, assessments shall be levied
26.23 at least annually, based upon a budget approved at least annually by the association. The
26.24 association shall provide each member of the homeowners association with a copy of the
26.25 proposed annual budget prior to the annual meeting at which the budget is to be approved
26.26 and allow member input on the budget prior to or during the meeting.

26.27 (d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common
26.28 expenses shall be assessed against all the units in accordance with the allocations established
26.29 by the declaration pursuant to section 515B.2-108.

26.30 (e) Unless otherwise required by the declaration:

26.31 (1) any common expense associated with the maintenance, repair, or replacement of a
26.32 limited common element shall be assessed against the units to which that limited common
26.33 element is assigned, equally, or in any other proportion the declaration provides;

27.1 (2) any common expense or portion thereof benefiting fewer than all of the units may
27.2 be assessed exclusively against the units benefited, equally, or in any other proportion the
27.3 declaration provides;

27.4 (3) the costs of insurance may be assessed in proportion to risk or coverage, and the
27.5 costs of utilities may be assessed in proportion to usage;

27.6 (4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees
27.7 and costs incurred by the association in connection with (i) the collection of assessments
27.8 against a unit owner, and (ii) the enforcement of this chapter, the articles, bylaws, declaration,
27.9 or rules and regulations against a unit owner, may be assessed against the unit owner's unit
27.10 subject to section 515B.3-116(h), provided that the attorney fees and costs for enforcement
27.11 and collection may not exceed \$1,500 and no fees or costs may be assessed if the association
27.12 uses a collection agency as defined in section 332.31 if the fees of the collection agency are
27.13 contingent on the amount collected; and

27.14 (5) subject to subsection (k), fees, charges, late charges, and fines ~~and interest~~ may be
27.15 assessed as provided in section 515B.3-116(a).

27.16 (f) Assessments levied under section 515B.3-116 to pay a judgment against the association
27.17 may be levied only against the units in the common interest community at the time the
27.18 judgment was entered, in proportion to their common expense liabilities.

27.19 (g) If any damage to the common elements or another unit is caused by the act or omission
27.20 of any unit owner, or occupant of a unit, or their invitees, the association may assess the
27.21 costs of repairing the damage exclusively against the unit owner's unit to the extent not
27.22 covered by insurance.

27.23 (h) Subject to any shorter period specified by the declaration or bylaws, if any installment
27.24 of an assessment becomes more than 60 days past due, then the association may, upon ten
27.25 days' written notice to the unit owner, declare the entire amount of the assessment
27.26 immediately due and payable in full, except that any portion of the assessment that represents
27.27 installments that are not due and payable without acceleration as of the date of reinstatement
27.28 must not be included in the amount that a unit owner must pay to reinstate under section
27.29 580.30 or chapter 581.

27.30 (i) If common expense liabilities are reallocated for any purpose authorized by this
27.31 chapter, common expense assessments and any installment thereof not yet due shall be
27.32 recalculated in accordance with the reallocated common expense liabilities.

28.1 (j) An assessment against fewer than all of the units must be levied within three years
 28.2 after the event or circumstances forming the basis for the assessment, or shall be barred.

28.3 (k) An association must offer a unit owner a reasonable payment agreement and take
 28.4 into consideration the financial circumstances of the unit owner.

28.5 ~~(k)~~ (l) This section applies only to common interest communities created before August
 28.6 1, 2010.

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

28.8 Sec. 11. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

28.9 **515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON**
 28.10 **OR AFTER AUGUST 1, 2010.**

28.11 (a) The association shall approve an annual budget of common expenses at or prior to
 28.12 the conveyance of the first unit in the common interest community to a purchaser and
 28.13 annually thereafter. The association shall provide each member of the homeowners
 28.14 association with a copy of the proposed annual budget prior to the annual meeting at which
 28.15 the budget is to be approved and allow member input on the budget prior to or during the
 28.16 meeting. The annual budget shall include all customary and necessary operating expenses
 28.17 and replacement reserves for the common interest community, consistent with this section
 28.18 and section 515B.3-114. For purposes of replacement reserves under subsection (b), until
 28.19 an annual budget has been approved, the reserves shall be paid based upon the budget
 28.20 contained in the disclosure statement required by section 515B.4-102. The obligation of a
 28.21 unit owner to pay common expenses shall be as follows:

28.22 (1) If a common expense assessment has not been levied by the association, the declarant
 28.23 shall pay all common expenses of the common interest community, including the payment
 28.24 of the replacement reserve component of the common expenses for all units in compliance
 28.25 with subsection (b).

28.26 (2) If a common expense assessment has been levied by the association, all unit owners,
 28.27 including the declarant, shall pay the assessments levied against their units, except as follows:

28.28 (i) The declaration may provide for an alternate common expense plan whereby the
 28.29 declarant's common expense liability, and the corresponding assessment lien against the
 28.30 units owned by the declarant, is limited to: (A) paying when due, in compliance with
 28.31 subsection (b), an amount equal to the full share of the replacement reserves allocated to
 28.32 units owned by the declarant, as set forth in the association's annual budget approved as
 28.33 provided in this subsection; and (B) paying when due all accrued expenses of the common

29.1 interest community in excess of the aggregate assessments payable with respect to units
29.2 owned by persons other than a declarant; provided, that the alternate common expense plan
29.3 shall not affect a declarant's obligation to make up any operating deficit pursuant to item
29.4 (iv), and shall terminate upon the termination of any period of declarant control unless
29.5 terminated earlier pursuant to item (iii).

29.6 (ii) The alternate common expense plan may be authorized only by including in the
29.7 declaration and the disclosure statement required by section 515B.4-102 provisions
29.8 authorizing and disclosing the alternate common expense plan as described in item (i), and
29.9 including in the disclosure statement either (A) a statement that the alternate common
29.10 expense plan will have no effect on the level of services or amenities anticipated by the
29.11 association's budget contained in the disclosure statement, or (B) a statement describing
29.12 how the services or amenities may be affected.

29.13 (iii) A declarant shall give notice to the association of its intent to utilize the alternate
29.14 common expense plan and a commencement date after the date the notice is given. The
29.15 alternate common expense plan shall be valid only for periods after the notice is given. A
29.16 declarant may terminate its right to utilize the alternate common expense plan prior to the
29.17 termination of the period of declarant control only by giving notice to the association and
29.18 the unit owners at least 30 days prior to a selected termination date set forth in the notice.

29.19 (iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause
29.20 to be prepared and delivered to the association, at the declarant's expense, within 90 days
29.21 after the termination of the period of declarant control, an audited balance sheet and profit
29.22 and loss statement certified to the association and prepared by an accountant having the
29.23 qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant
29.24 and the association.

29.25 (v) If the audited profit and loss statement shows an accumulated operating deficit, the
29.26 declarant shall be obligated to make up the deficit within 15 days after delivery of the audit
29.27 to the association, and the association shall have a claim against the declarant for an amount
29.28 equal to the deficit until paid. A declarant who does not utilize an alternate common expense
29.29 plan is not liable to make up any operating deficit. If more than one declarant utilizes an
29.30 alternate common expense plan, all declarants who utilize the plan are jointly and severally
29.31 liable to the association for any operating deficit.

29.32 (vi) The existence and amount, if any, of the operating deficit shall be determined using
29.33 the accrual method of accounting applied as of the date of termination of the period of

30.1 declarant control, regardless of the accounting methodology previously used by the
30.2 association to maintain its accounts.

30.3 (vii) Unless approved by a vote of the unit owners other than the declarant and its
30.4 affiliates, the operating deficit shall not be made up, prior to the election by the unit owners
30.5 of a board of directors pursuant to section 515B.3-103(d), through the use of a special
30.6 assessment described in subsection (c) or by assessments described in subsections (e), (f),
30.7 and (g).

30.8 (viii) The use by a declarant of an alternate common expense plan shall not affect the
30.9 obligations of the declarant or the association as provided in the declaration, the bylaws, or
30.10 this chapter, or as represented in the disclosure statement required by section 515B.4-102,
30.11 except as to matters authorized by this chapter.

30.12 (b) The replacement reserves required by section 515B.3-114 shall be paid to the
30.13 association by each unit owner for each unit owned by that unit owner in accordance with
30.14 the association's annual budget approved pursuant to subsection (a), regardless of whether
30.15 an annual assessment has been levied or whether the declarant has utilized an alternate
30.16 common expense plan under subsection (a)(2). Replacement reserves shall be paid with
30.17 respect to a unit commencing as of the later of (1) the date of creation of the common interest
30.18 community or (2) the date that the structure and exterior of the building containing the unit,
30.19 or the structure and exterior of any building located within the unit boundaries, but excluding
30.20 the interior finishing of the structure itself, are substantially completed. If the association
30.21 has not approved an annual budget as of the commencement date for the payment of
30.22 replacement reserves, then the reserves shall be paid based upon the budget contained in
30.23 the disclosure statement required by section 515B.4-102.

30.24 (c) After an assessment has been levied by the association, assessments shall be levied
30.25 at least annually, based upon an annual budget approved by the association. In addition to
30.26 and not in lieu of annual assessments, an association may, if so provided in the declaration,
30.27 levy special assessments against all units in the common interest community based upon
30.28 the same formula required by the declaration for levying annual assessments. Special
30.29 assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to
30.30 replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures
30.31 or operating expenses, or (4) to replace certain components of the common interest
30.32 community described in section 515B.3-114(a), if such alternative method of funding is
30.33 approved under section 515B.3-114(a)(5). The association may also levy assessments against
30.34 fewer than all units as provided in subsections (e), (f), and (g). An assessment under

31.1 subsection (e)(2) for replacement reserves is subject to the requirements of section
31.2 515B.3-1141(a)(5).

31.3 (d) Except as modified by subsections (a), ~~clauses~~ paragraphs (1) and (2), (e), (f), and
31.4 (g), all common expenses shall be assessed against all the units in accordance with the
31.5 allocations established by the declaration pursuant to section 515B.2-108.

31.6 (e) Unless otherwise required by the declaration:

31.7 (1) any common expense associated with the maintenance, repair, or replacement of a
31.8 limited common element shall be assessed against the units to which that limited common
31.9 element is assigned, equally, or in any other proportion the declaration provides;

31.10 (2) any common expense or portion thereof benefiting fewer than all of the units may
31.11 be assessed exclusively against the units benefited, equally, or in any other proportion the
31.12 declaration provides;

31.13 (3) the costs of insurance may be assessed in proportion to risk or coverage, and the
31.14 costs of utilities may be assessed in proportion to usage;

31.15 (4) subject to subsection (k) and section 515B.3-102(a)(11), reasonable attorney fees
31.16 and costs incurred by the association in connection with (i) the collection of assessments,
31.17 and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and
31.18 regulations, against a unit owner, may be assessed against the unit owner's unit, subject to
31.19 section 515B.3-116(h), provided that the attorney fees and costs for enforcement and
31.20 collection may not exceed \$1,500 and no fees or costs may be assessed if the association
31.21 uses a collection agency as defined in section 332.31 if the fees of the collection agency are
31.22 contingent on the amount collected; and

31.23 (5) subject to subsection (k), fees, charges, late charges, and fines, ~~and interest~~ may be
31.24 assessed as provided in section 515B.3-116(a).

31.25 (f) Assessments levied under section 515B.3-116 to pay a judgment against the association
31.26 may be levied only against the units in the common interest community at the time the
31.27 judgment was entered, in proportion to their common expense liabilities.

31.28 (g) If any damage to the common elements or another unit is caused by the act or omission
31.29 of any unit owner, or occupant of a unit, or their invitees, the association may assess the
31.30 costs of repairing the damage exclusively against the unit owner's unit to the extent not
31.31 covered by insurance.

31.32 (h) Subject to any shorter period specified by the declaration or bylaws, if any installment
31.33 of an assessment becomes more than 60 days past due, then the association may, upon ten

32.1 days' written notice to the unit owner, declare the entire amount of the assessment
 32.2 immediately due and payable in full, except that any portion of the assessment that represents
 32.3 installments that are not due and payable without acceleration as of the date of reinstatement
 32.4 must not be included in the amount that a unit owner must pay to reinstate under section
 32.5 580.30 or chapter 581.

32.6 (i) If common expense liabilities are reallocated for any purpose authorized by this
 32.7 chapter, common expense assessments and any installment thereof not yet due shall be
 32.8 recalculated in accordance with the reallocated common expense liabilities.

32.9 (j) An assessment against fewer than all of the units must be levied within three years
 32.10 after the event or circumstances forming the basis for the assessment, or shall be barred.

32.11 (k) An association must offer a unit owner a reasonable payment agreement and take
 32.12 into consideration the financial circumstances of the unit owner.

32.13 ~~(l)~~ (l) This section applies only to common interest communities created on or after
 32.14 August 1, 2010.

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

32.16 Sec. 12. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

32.17 **515B.3-116 LIEN FOR ASSESSMENTS.**

32.18 (a) The association has a lien on a unit for any assessment levied against that unit from
 32.19 the time the assessment becomes due. If an assessment is payable in installments, the full
 32.20 amount of the assessment is a lien from the time the first installment thereof becomes due.
 32.21 Unless the declaration otherwise provides, fees, charges, and late charges, ~~and interest~~
 32.22 ~~charges~~ pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable
 32.23 as assessments, under this section. Recording of the declaration constitutes record notice
 32.24 and perfection of any assessment lien under this section, and no further recording of any
 32.25 notice of or claim for the lien is required.

32.26 (b) Subject to subsection (c), a lien under this section is prior to all other liens and
 32.27 encumbrances on a unit except (i) liens and encumbrances recorded before the declaration
 32.28 and, in a cooperative, liens and encumbrances which the association creates, assumes, or
 32.29 takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or,
 32.30 in a cooperative, any first security interest encumbering only the unit owner's interest in the
 32.31 unit, (iii) liens for real estate taxes and other governmental assessments or charges against
 32.32 the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection
 32.33 shall not affect the priority of mechanic's liens.

33.1 (c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June
33.2 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems
33.3 pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the
33.4 foreclosure of the first mortgage or any person who acquires title to the unit by redemption
33.5 as a junior creditor shall take title to the unit subject to a lien in favor of the association for
33.6 unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)
33.7 to (3), (f), and (i) which became due, without acceleration, during the six months immediately
33.8 preceding the end of the owner's period of redemption. The common expenses shall be
33.9 based upon the association's then current annual budget, notwithstanding the use of an
33.10 alternate common expense plan under section 515B.3-115(a)(2). If a first security interest
33.11 encumbering a unit owner's interest in a cooperative unit which is personal property is
33.12 foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject
33.13 to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a),
33.14 (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months
33.15 immediately preceding the first day following either the disposition date pursuant to section
33.16 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to
33.17 section 336.9-622.

33.18 (d) Proceedings to enforce an assessment lien shall be instituted within three years after
33.19 the last installment of the assessment becomes payable, or shall be barred.

33.20 (e) The unit owner of a unit at the time an assessment is due shall be personally liable
33.21 to the association for payment of the assessment levied against the unit. If there are multiple
33.22 owners of the unit, they shall be jointly and severally liable.

33.23 (f) This section does not prohibit actions to recover sums for which subsection (a) creates
33.24 a lien nor prohibit an association from taking a deed in lieu of foreclosure.

33.25 (g) The association shall furnish to a unit owner or the owner's authorized agent upon
33.26 written request of the unit owner or the authorized agent a statement setting forth the amount
33.27 of unpaid assessments currently levied against the owner's unit. If the unit owner's interest
33.28 is real estate, the statement shall be in recordable form. The statement shall be furnished
33.29 within ten business days after receipt of the request and is binding on the association and
33.30 every unit owner.

33.31 (h) The association's lien may be foreclosed as provided in this subsection. In no case
33.32 may an association's lien be foreclosed for unpaid fines. Not including attorney fees, when
33.33 unpaid fees, charges, and late charges are properly issued pursuant to section 515B.3-102,
33.34 subsection (a), paragraphs (10), (11), and (12), an association may begin a foreclosure when

34.1 the total amount owed is \$5,000 or more and that amount has been outstanding for 180 days
 34.2 or more.

34.3 (1) In a condominium or planned community, the association's lien may be foreclosed
 34.4 in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by
 34.5 action pursuant to chapter 581. The association shall have a power of sale to foreclose the
 34.6 lien pursuant to chapter 580, except that any portion of the assessment that represents
 34.7 attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate
 34.8 under section 580.30 or chapter 581.

34.9 (2) In a cooperative whose unit owners' interests are real estate, the association's lien
 34.10 shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
 34.11 (1).

34.12 (3) In a cooperative whose unit owners' interests in the units are personal property, the
 34.13 association's lien shall be foreclosed in a like manner as a security interest under article 9
 34.14 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to
 34.15 sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
 34.16 by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner
 34.17 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its
 34.18 reasonable costs and attorney fees not exceeding the amount provided by section 582.01,
 34.19 subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate
 34.20 consideration for the unit subject to disposition or retention, notwithstanding the value of
 34.21 the unit, and (iv) the notice of sale, disposition, or retention shall contain the following
 34.22 statement in capital letters with the name of the association or secured party filled in:

34.23 "THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or
 34.24 secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES,
 34.25 CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE
 34.26 REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL
 34.27 TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS
 34.28 BEFORE THEN:

34.29 (a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party)
 34.30 AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM
 34.31 YOU:

34.32 (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

34.33 (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

35.1 (3) \$500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR
35.2 INCURRED; PLUS

35.3 (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill
35.4 in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

35.5 (b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
35.6 FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
35.7 CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR
35.8 SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
35.9 GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

35.10 IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
35.11 THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
35.12 YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
35.13 ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
35.14 RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
35.15 ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL
35.16 BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
35.17 AN ATTORNEY IMMEDIATELY."

35.18 (4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
35.19 be the same as those provided by law, except (i) the period of redemption for unit owners
35.20 shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
35.21 foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
35.22 costs and disbursements of foreclosure and attorney fees ~~authorized by the declaration or~~
35.23 ~~bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, as specified~~
35.24 in section 582.01, subdivision 1, up to a maximum of \$1,000, (iii) in a foreclosure by action
35.25 under chapter 581, the foreclosing party shall be entitled to costs and disbursements of
35.26 foreclosure and attorney fees as the court shall determine, and (iv) the amount of the
35.27 association's lien shall be deemed to be adequate consideration for the unit subject to
35.28 foreclosure, notwithstanding the value of the unit.

35.29 (i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of
35.30 redemption, pays any past due or current assessments, or any other charges lienable as
35.31 assessments, with respect to the unit described in the sheriff's certificate, then the amount
35.32 paid shall be a part of the sum required to be paid to redeem under section 582.03.

35.33 (j) In a cooperative, if the unit owner fails to redeem before the expiration of the
35.34 redemption period in a foreclosure of the association's assessment lien, the association may

36.1 bring an action for eviction against the unit owner and any persons in possession of the unit,
36.2 and in that case section 504B.291 shall not apply.

36.3 (k) An association may assign its lien rights in the same manner as any other secured
36.4 party.

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

36.6 Sec. 13. **[515B.3-122] REQUIREMENT TO MEET AND CONFER.**

36.7 **Subdivision 1. Enforcement action defined.** For the purposes of this section,
36.8 "enforcement action" means any attempt by an association, management company, or an
36.9 attorney or other person on behalf of the association or management company, to collect a
36.10 disputed assessment, fine, late fee, or other charge, or a civil action or proceeding, other
36.11 than a cross-complaint, involving rights, duties, or liabilities under this chapter or any other
36.12 law, or the governing documents of a common interest community or association, including
36.13 the foreclosure of an association's lien pursuant to section 515B.3-116.

36.14 **Subd. 2. Meet and confer process.** Prior to an association taking any enforcement
36.15 action, the association and the unit owner must engage in a meet and confer process in an
36.16 effort to resolve any dispute between the association and the unit owner involving their
36.17 respective rights, duties, or liabilities under this chapter or any other section of law, or under
36.18 the governing documents of the common interest community or association. The association's
36.19 board must designate a member of the board to meet and confer with the unit owner. The
36.20 parties must meet as soon as practicable at a mutually convenient time and place. At the
36.21 meeting, each party must be given reasonable time to present their positions and must confer
36.22 in good faith to seek a resolution to the dispute. If the meet and confer process results in
36.23 the resolution of the dispute, the resolution must be in writing and signed by both a board
36.24 member and the unit owner. The signed agreement binds the parties and is judicially
36.25 enforceable. A unit owner must not be charged any fees, including any attorney fees, to
36.26 participate in the meet and confer process.

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

36.28 Sec. 14. **[515B.3-125] LEGAL FEES; NOTICE REQUIRED.**

36.29 (a) Prior to referring a unit owner's inquiry to an attorney, the board must provide a
36.30 notice to the unit owner with the following information:

36.31 (1) a statement that the board plans to refer the matter at issue to an attorney;

36.32 (2) the name of the person responsible for payment of any resulting legal fees; and

- 37.1 (3) an estimate of the legal fees the attorney may charge or has charged for similar work.
- 37.2 (b) The board must provide the notification under subsection (a) at no cost to the unit
- 37.3 owner.
- 37.4 (c) The board must provide to a unit owner an itemized invoice for any legal fees charged
- 37.5 to the unit owner detailing the attorney's rate, the time the attorney spent on the matter, the
- 37.6 specific services the attorney provided, and the date or dates of service.
- 37.7 **EFFECTIVE DATE.** This section is effective January 1, 2026.
- 37.8 Sec. 15. Minnesota Statutes 2024, section 515B.4-102, is amended to read:
- 37.9 **515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC**
- 37.10 **CREATED BEFORE AUGUST 1, 2010.**
- 37.11 (a) A disclosure statement shall fully and accurately disclose:
- 37.12 (1) the name and, if available, the number of the common interest community;
- 37.13 (2) the name and principal address of the declarant;
- 37.14 (3) the number of units which the declarant has the right to include in the common
- 37.15 interest community and a statement that the common interest community is either a
- 37.16 condominium, cooperative, or planned community;
- 37.17 (4) a general description of the common interest community, including, at a minimum,
- 37.18 (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of
- 37.19 construction, (iv) whether the common interest community involves new construction or
- 37.20 rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose,
- 37.21 before it was added to the common interest community and the nature of the occupancy,
- 37.22 and (vi) a general description of any roads, trails, or utilities that are located on the common
- 37.23 elements and that the association or a master association will be required to maintain;
- 37.24 (5) declarant's schedule of commencement and completion of construction of any
- 37.25 buildings and other improvements that the declarant is obligated to build pursuant to section
- 37.26 515B.4-117;
- 37.27 (6) any expenses or services, not reflected in the budget, that a declarant pays or provides,
- 37.28 which may become a common expense; the projected common expense attributable to each
- 37.29 of those expenses or services; and an explanation of declarant's limited assessment liability
- 37.30 under section 515B.3-115(b);

38.1 (7) any initial or special fee due from the purchaser to the declarant or the association
38.2 at closing, together with a description of the purpose and method of calculating the fee;

38.3 (8) identification of any liens, defects, or encumbrances which will continue to affect
38.4 the title to a unit or to any real property owned by the association after the contemplated
38.5 conveyance;

38.6 (9) a description of any financing offered or arranged by the declarant;

38.7 (10) a statement as to whether application has been made for any project approvals for
38.8 the common interest community from the Federal National Mortgage Association (FNMA),
38.9 Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban
38.10 Development (HUD) or Department of Veterans Affairs (VA), and which, if any, such final
38.11 approvals have been received;

38.12 (11) the terms of any warranties provided by the declarant, including copies of sections
38.13 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a
38.14 statement of any limitations on the enforcement of the applicable warranties or on damages;

38.15 (12) a statement that: (i) within ten days after the receipt of a disclosure statement, a
38.16 purchaser may cancel any contract for the purchase of a unit from a declarant; provided,
38.17 that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance
38.18 of the unit from the declarant or by the purchaser agreeing to modify or waive the right to
38.19 cancel in the manner provided by section 515B.4-106(a); (ii) if a purchaser receives a
38.20 disclosure statement more than ten days before signing a purchase agreement, the purchaser
38.21 cannot cancel the purchase agreement; and (iii) if a declarant obligated to deliver a disclosure
38.22 statement fails to deliver a disclosure statement which substantially complies with this
38.23 chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the
38.24 purchaser as provided in section 515B.4-106(d);

38.25 (13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's
38.26 actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which
38.27 the association is a party, and the status of those lawsuits which are material to the common
38.28 interest community or the unit being purchased;

38.29 (14) a statement (i) describing the conditions under which earnest money will be held
38.30 in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the
38.31 earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant
38.32 to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

39.1 (15) a detailed description of the insurance coverage provided by the association for the
39.2 benefit of unit owners, including a statement as to which, if any, of the items referred to in
39.3 section 515B.3-113, subsection (b), are insured by the association;

39.4 (16) any current or expected fees or charges, other than assessments for common
39.5 expenses, to be paid by unit owners for the use of the common elements or any other
39.6 improvements or facilities;

39.7 (17) the financial arrangements, including any contingencies, which have been made to
39.8 provide for completion of all improvements that the declarant is obligated to build pursuant
39.9 to section 515B.4-118, or a statement that no such arrangements have been made;

39.10 (18) in a cooperative: (i) whether the unit owners will be entitled for federal and state
39.11 tax purposes, to deduct payments made by the association for real estate taxes and interest
39.12 paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to
39.13 the effect on the unit owners if the association fails to pay real estate taxes or payments due
39.14 the holder of a security interest encumbering the cooperative; and (iii) the principal amount
39.15 and a general description of the terms of any blanket mortgage, contract for deed, or other
39.16 blanket security instrument encumbering the cooperative property;

39.17 (19) a statement: (i) that real estate taxes for the unit or any real property owned by the
39.18 association are not delinquent or, if there are delinquent real estate taxes, describing the
39.19 property for which the taxes are delinquent, stating the amount of the delinquent taxes,
39.20 interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting
39.21 forth the amount of real estate taxes, including the amount of any special assessment certified
39.22 for payment with the real estate taxes, due and payable with respect to the unit in the year
39.23 in which the disclosure statement is given, if real estate taxes have been separately assessed
39.24 against the unit;

39.25 (20) if the association or the purchaser of the unit will be a member of a master
39.26 association, a statement to that effect, and all of the following information with respect to
39.27 the master association: (i) a copy of the master declaration, the articles of incorporation,
39.28 bylaws, and rules and regulations for the master association, together with any amendments
39.29 thereto; (ii) the name, address and general description of the master association, including
39.30 a general description of any other association, unit owners, or other persons which are or
39.31 may become members; (iii) a description of any nonresidential use permitted on any property
39.32 subject to the master association; (iv) a statement as to the estimated maximum number of
39.33 associations, unit owners or other persons which may become members of the master
39.34 association, and the degree and period of control of the master association by a declarant

40.1 or other person; (v) a description of any facilities intended for the benefit of the members
40.2 of the master association and not located on property owned or controlled by a member or
40.3 the master association; (vi) the financial arrangements, including any contingencies, which
40.4 have been made to provide for completion of the facilities referred to in subsection (v), or
40.5 a statement that no arrangements have been made; (vii) any current balance sheet of the
40.6 master association and a projected or current annual budget, as applicable, which budget
40.7 shall include with respect to the master association those items in paragraph (23), clauses
40.8 (i) through (iii), and the projected monthly common expense assessment for each type of
40.9 unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;
40.10 (viii) a description of any expenses or services not reflected in the budget, paid for or
40.11 provided by a declarant or a person executing the master declaration, which may become
40.12 an expense of the master association in the future; (ix) a description of any powers delegated
40.13 to and accepted by the master association pursuant to section 515B.2-121(f)(2); (x)
40.14 identification of any liens, defects or encumbrances that will continue to affect title to
40.15 property owned or operated by the master association for the benefit of its members; (xi)
40.16 the terms of any warranties provided by any person for construction of facilities in which
40.17 the members of the master association have or may have an interest, and any known defects
40.18 in the facilities which would violate the standards described in section 515B.4-112(b); (xii)
40.19 a statement disclosing, after inquiry of the master association, any unsatisfied judgments
40.20 or lawsuits to which the master association is a party, and the status of those lawsuits which
40.21 are material to the master association; (xiii) a description of any insurance coverage provided
40.22 for the benefit of its members by the master association; and (xiv) any current or expected
40.23 fees or charges, other than assessments by the master association, to be paid by members
40.24 of the master association for the use of any facilities intended for the benefit of the members;

40.25 (21) a statement as to whether the unit will be substantially completed at the time of
40.26 conveyance to a purchaser, and if not substantially completed, who is responsible to complete
40.27 and pay for the construction of the unit;

40.28 (22) a plain-language explanation of the declaration, articles of incorporation, and current
40.29 bylaws, as well as a copy of the declaration and any amendments thereto (exclusive of the
40.30 CIC plat); any other recorded covenants, conditions, restrictions, or reservations affecting
40.31 the common interest community; the articles of incorporation, bylaws and any rules or
40.32 regulations of the association; any agreement excluding or modifying any implied warranties;
40.33 any agreement reducing the statute of limitations for the enforcement of warranties; any
40.34 contracts or leases to be signed by purchaser at closing; and a brief narrative description of
40.35 any (i) contracts or leases that are or may be subject to cancellation by the association under

41.1 section 515B.3-105 and (ii) any material agreements entered into between the declarant and
 41.2 a governmental entity that affect the common interest community; ~~and~~

41.3 (23) a balance sheet for the association, current within 90 days; a projected annual budget
 41.4 for the association; and a statement identifying the party responsible for the preparation of
 41.5 the budget. The budget shall assume that all units intended to be included in the common
 41.6 interest community, based upon the declarant's good faith estimate, have been subjected to
 41.7 the declaration; provided, that additional budget portrayals based upon a lesser number of
 41.8 units are permitted. The budget shall include, without limitation: (i) a statement of the
 41.9 amount included in the budget as a reserve for replacement; (ii) a statement of any other
 41.10 reserves; (iii) the projected common expense for each category of expenditures for the
 41.11 association; (iv) the projected monthly common expense assessment for each type of unit;
 41.12 and (v) a footnote or other reference to those components of the common interest community
 41.13 the maintenance, repair, or replacement of which the budget assumes will be funded by
 41.14 assessments under section 515B.3-115(e), rather than by assessments included in the
 41.15 association's annual budget, and a statement referencing section 515B.3-115(e)(1) or (2),
 41.16 as the source of funding. If, based upon the association's then current budget, the monthly
 41.17 common expense assessment for the unit at the time of conveyance to the purchaser is
 41.18 anticipated to exceed the monthly assessment stated in the budget, a statement to such effect
 41.19 shall be included;

41.20 (24) a copy of any fact sheet or other publication by the attorney general and the
 41.21 Community Association Institute that describes, in plain language, common interest
 41.22 communities and homeowner associations and explains the rights and responsibilities of
 41.23 unit owners and associations; and

41.24 (25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph
 41.25 (10), and (c).

41.26 (b) A declarant shall promptly amend the disclosure statement to reflect any material
 41.27 change in the information required by this chapter.

41.28 (c) The master association, within ten days after a request by a declarant, a holder of
 41.29 declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized
 41.30 representative of any of them, shall furnish the information required to be provided by
 41.31 subsection (a)(20). A declarant or other person who provides information pursuant to
 41.32 subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant
 41.33 or other person: (i) is not an affiliate of or related in any way to a person authorized to

42.1 appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no
42.2 actual knowledge that the information is incorrect.

42.3 (d) This section applies only to common interest communities created before August 1,
42.4 2010.

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

42.6 Sec. 16. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

42.7 **515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC**
42.8 **CREATED ON OR AFTER AUGUST 1, 2010.**

42.9 (a) A disclosure statement shall fully and accurately disclose:

42.10 (1) the name and, if available, the number of the common interest community;

42.11 (2) the name and principal address of each declarant holding any special declarant rights;
42.12 a description of the special declarant rights held by each declarant; a description of the units
42.13 or additional real estate to which the respective special declarant rights apply; and a copy
42.14 of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or
42.15 any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

42.16 (3) the total number of units which all declarants have the right to include in the common
42.17 interest community and a statement that the common interest community is either a
42.18 condominium, cooperative, or planned community;

42.19 (4) a general description of the common interest community, including, at a minimum,
42.20 (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of
42.21 construction, (iv) whether the common interest community involves new construction or
42.22 rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose,
42.23 before it was added to the common interest community, and the nature of the occupancy,
42.24 (vi) a general description of any roads, trails, or utilities that are located on the common
42.25 elements and that the association or master association will be required to maintain, (vii) a
42.26 description of any declarant licensing rights under section 515B.2-109(e), and (viii) the
42.27 initial maintenance plan, initial maintenance schedule, and maintenance budget under section
42.28 515B.3-107(b). The initial maintenance plan prepared by the declarant must be based on
42.29 the best available information listing all building elements to which the plan will apply and
42.30 the generally accepted standards of maintenance on which the plan is based. The initial plan
42.31 must be dated and signed by the declarant and be fully funded by the initial budget provided
42.32 by the declarant;

43.1 (5) declarant's schedule of commencement and completion of construction of any
43.2 buildings and other improvements that the declarant is obligated to build pursuant to section
43.3 515B.4-117;

43.4 (6) any expenses or services, not reflected in the budget, that the declarant pays or
43.5 provides, which may become a common expense; the projected common expense attributable
43.6 to each of those expenses or services; a description of any alternate common expense plan
43.7 under section 515B.3-115(a)(2)(i); and, if the declaration provides for an alternate common
43.8 expense plan, either (i) a statement that the alternate common expense plan will have no
43.9 effect on the level of services or amenities anticipated by the association's budget or disclosed
43.10 in the disclosure statement, or (ii) a statement describing how the services or amenities may
43.11 be affected;

43.12 (7) any initial or special fee due from the purchaser to the declarant or the association
43.13 at closing, together with a description of the purpose and method of calculating the fee;

43.14 (8) identification of any liens, defects, or encumbrances which will continue to affect
43.15 the title to a unit or to any real property owned by the association after the contemplated
43.16 conveyance;

43.17 (9) a description of any financing offered or arranged by the declarant;

43.18 (10) a statement as to whether application has been made for any project approvals for
43.19 the common interest community from the Federal National Mortgage Association (FNMA),
43.20 Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban
43.21 Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such
43.22 final approvals have been received;

43.23 (11) the terms of any warranties provided by the declarant, including copies of sections
43.24 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement
43.25 of any limitations on the enforcement of the applicable warranties or on damages;

43.26 (12) a statement that:

43.27 (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel
43.28 any contract for the purchase of a unit from a declarant; provided, that the right to cancel
43.29 terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the
43.30 declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner
43.31 provided by section 515B.4-106(a);

43.32 (ii) if a purchaser receives a disclosure statement more than ten days before signing a
43.33 purchase agreement, the purchaser cannot cancel the purchase agreement; and

44.1 (iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure
44.2 statement which substantially complies with this chapter to a purchaser to whom a unit is
44.3 conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

44.4 (13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's
44.5 actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which
44.6 the association is a party, and the status of those lawsuits which are material to the common
44.7 interest community or the unit being purchased;

44.8 (14) a statement (i) describing the conditions under which earnest money will be held
44.9 in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the
44.10 earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant
44.11 to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

44.12 (15) a detailed description of the insurance coverage provided by the association for the
44.13 benefit of unit owners, including a statement as to which, if any, of the items referred to in
44.14 section 515B.3-113(b), are insured by the association;

44.15 (16) any current or expected fees or charges, other than assessments for common
44.16 expenses, to be paid by unit owners for the use of the common elements or any other
44.17 improvements or facilities;

44.18 (17) the financial arrangements, including any contingencies, which have been made to
44.19 provide for completion of all improvements that the declarant is obligated to build pursuant
44.20 to section 515B.4-118, or a statement that no such arrangements have been made;

44.21 (18) in a cooperative:

44.22 (i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct
44.23 payments made by the association for real estate taxes and interest paid to the holder of a
44.24 security interest encumbering the cooperative;

44.25 (ii) a statement as to the effect on the unit owners if the association fails to pay real estate
44.26 taxes or payments due the holder of a security interest encumbering the cooperative; and

44.27 (iii) the principal amount and a general description of the terms of any blanket mortgage,
44.28 contract for deed, or other blanket security instrument encumbering the cooperative property;

44.29 (19) a statement:

44.30 (i) that real estate taxes for the unit or any real property owned by the association are
44.31 not delinquent or, if there are delinquent real estate taxes, describing the property for which

45.1 the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties,
45.2 and stating the years for which taxes are delinquent; and

45.3 (ii) setting forth the amount of real estate taxes, including the amount of any special
45.4 assessment certified for payment with the real estate taxes, due and payable with respect to
45.5 the unit in the year in which the disclosure statement is given, if real estate taxes have been
45.6 separately assessed against the unit;

45.7 (20) if the unit or other parcel of real estate being purchased is or may be subject to a
45.8 master declaration at the time of the conveyance from the declarant to the purchaser, a
45.9 statement to that effect, and all of the following information with respect to the master
45.10 association:

45.11 (i) copies of the following documents (which may be in proposed form if the master
45.12 declaration has not been recorded): the master declaration, the articles of incorporation,
45.13 bylaws, and rules and regulations for the master association, together with any amendments
45.14 thereto;

45.15 (ii) the name and address of the master developer, and the name, address, and general
45.16 description of the master association, including a general description of any other association,
45.17 unit owners, or other persons which are or may become members;

45.18 (iii) a description of any nonresidential use permitted on any property subject to the
45.19 master declaration;

45.20 (iv) a statement as to the estimated maximum number of associations, unit owners, or
45.21 other persons which may become members of the master association, and a description of
45.22 any period of control of the master association and rights to appoint master association
45.23 directors by a master developer or other person pursuant to section 515B.2-121(c);

45.24 (v) a description of any facilities intended for the benefit of the members of the master
45.25 association and not located on property owned or controlled by a member of the master
45.26 association;

45.27 (vi) the financial arrangements, including any contingencies, which have been made to
45.28 provide for completion of the facilities referred to in subsection (v), or a statement that no
45.29 arrangements have been made;

45.30 (vii) any current balance sheet of the master association and a projected or current annual
45.31 budget, as applicable, which budget shall include with respect to the master association
45.32 those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other

46.1 periodic common expense assessment payment for each type of unit, lot, or other parcel of
46.2 real estate which is or is planned to be subject to assessment;

46.3 (viii) a description of any expenses or services not reflected in the budget, paid for or
46.4 provided by a master developer or another person executing the master declaration, which
46.5 may become an expense of the master association in the future;

46.6 (ix) a description of any powers delegated to and accepted by the master association
46.7 pursuant to section 515B.2-121(e)(2);

46.8 (x) identification of any liens, defects, or encumbrances that will continue to affect title
46.9 to property owned or operated by the master association for the benefit of its members;

46.10 (xi) the terms of any warranties provided by any person for construction of facilities in
46.11 which the members of the master association have or may have an interest, and any known
46.12 defects in the facilities which would violate the standards described in section
46.13 515B.4-113(b)(2);

46.14 (xii) a statement disclosing, after inquiry of the master association, any unsatisfied
46.15 judgments or lawsuits to which the master association is a party, and the status of those
46.16 lawsuits which are material to the master association;

46.17 (xiii) a description of any insurance coverage provided for the benefit of its members
46.18 by the master association; and

46.19 (xiv) any current or expected fees or charges, other than assessments by the master
46.20 association, to be paid by members of the master association for the use of any facilities
46.21 intended for the benefit of the members;

46.22 (21) a statement as to whether the unit will be substantially completed at the time of
46.23 conveyance to a purchaser, and, if not substantially completed, who is responsible to complete
46.24 and pay for the construction of the unit;

46.25 (22) a plain-language explanation of the declaration, articles of incorporation, and current
46.26 bylaws, as well as copies of the following documents (which may be in proposed form if
46.27 the declaration has not been recorded): the declaration and any supplemental declaration,
46.28 and any amendments thereto (exclusive of the CIC plat); any other recorded covenants,
46.29 conditions, restrictions, and reservations affecting the common interest community; the
46.30 articles of incorporation, bylaws, and any rules or regulations of the association; the names
46.31 of the current members of the association's board of directors; any agreement excluding or
46.32 modifying any implied warranties; any agreement reducing the statute of limitations for the
46.33 enforcement of warranties; any contracts or leases to be signed by the purchaser at closing;

47.1 and a description of any material contracts, leases, or other agreements affecting the common
47.2 interest community; ~~and~~

47.3 (23) a balance sheet for the association, following the creation of the association, current
47.4 within 90 days; a projected annual budget for the association; and a statement identifying
47.5 the party responsible for the preparation of the budget. The budget shall assume that all
47.6 units intended to be included in the common interest community, based upon the declarant's
47.7 good faith estimate, have been subjected to the declaration; provided, that additional budget
47.8 portrayals based upon a lesser number of units are permitted. The budget shall include,
47.9 without limitation:

47.10 (i) a statement of the amount included in the budget as a reserve for replacement, the
47.11 components of the common interest community for which the reserves are budgeted, and
47.12 the amounts of the reserves, if any, that are allocated for the replacement of each of those
47.13 components;

47.14 (ii) a statement of any other reserves;

47.15 (iii) the projected common expense for each category of expenditures for the association;

47.16 (iv) the projected monthly common expense assessment for each type of unit;

47.17 (v) a statement as to the components of the common interest community whose
47.18 replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than
47.19 by replacement reserves as approved pursuant to section 515B.3-114(a). If, based upon the
47.20 association's then-current budget, the monthly common expense assessment for the unit at
47.21 the time of conveyance to the purchaser is anticipated to exceed the monthly assessment
47.22 stated in the budget, a statement to such effect shall be included;

47.23 (24) a copy of any fact sheet or other publication by the attorney general and the
47.24 Community Association Institute that describes, in plain language, common interest
47.25 communities and homeowner associations and explains the rights and responsibilities of
47.26 unit owners and associations; and

47.27 (25) the schedules of fines required under section 515B.3-102, subsections (a), paragraph
47.28 (10), and (c).

47.29 (b) A declarant shall promptly amend the disclosure statement to reflect any material
47.30 change in the information required by this chapter.

47.31 (c) The master association, within ten days after a request by a declarant, a holder of
47.32 declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized
47.33 representative of any of them, shall furnish the information required to be provided by

48.1 subsection (a)(20). A declarant or other person who provides information pursuant to
 48.2 subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant
 48.3 or other person: (i) is not an affiliate of or related in any way to a person authorized to
 48.4 appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no
 48.5 actual knowledge that the information is incorrect.

48.6 (d) This section applies only to common interest communities created on or after August
 48.7 1, 2010.

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

48.9 Sec. 17. Minnesota Statutes 2024, section 515B.4-107, is amended to read:

48.10 **515B.4-107 RESALE OF UNITS.**

48.11 (a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt
 48.12 under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution
 48.13 of any purchase agreement for a unit or otherwise before conveyance, the following
 48.14 documents relating to the association or to the master association, if applicable:

48.15 (1) a plain-language explanation of the declaration, articles of incorporation, and current
 48.16 bylaws prepared by the board of directors, as well as copies of the declaration (other than
 48.17 any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any
 48.18 amendments or supplemental declarations;

48.19 (2) copies of the master declaration, articles of incorporation, bylaws, and rules and
 48.20 regulations, if the common interest community is subject to a master declaration; and

48.21 (3) a resale disclosure certificate from the association dated not more than 90 days prior
 48.22 to the date of the purchase agreement or the date of conveyance, whichever is earlier,
 48.23 containing the information set forth in subsection (b).

48.24 (b) The resale disclosure certificate must be in substantially the following form:

48.25 COMMON INTEREST COMMUNITY

48.26 RESALE DISCLOSURE CERTIFICATE

48.27 Name of Common Interest Community:.....

48.28 Name of Association:.....

48.29 Address of Association:.....

48.30 Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):

48.31 Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

49.1

49.2

49.3 The following information is furnished by the association named above according to
49.4 Minnesota Statutes, section 515B.4-107.

49.5 1. There is no right of first refusal or other restraint on the free alienability of the above
49.6 unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to
49.7 them, except as follows:.....

49.8

49.9

49.10

49.11 2. The following periodic installments of common expense assessments and special
49.12 assessments are payable with respect to the above unit(s):

49.13 a. Annual assessment installments: \$..... Due:.....

49.14 b. Special assessment installments: \$..... Due:.....

49.15 c. Unpaid assessments, fines, or other charges:

49.16 (1) Annual \$.....

49.17 (2) Special \$.....

49.18 (3) Fines \$.....

49.19 (4) Other Charges \$.....

49.20 d. The association has/has not (strike one) approved a plan for levying certain
49.21 common expense assessments against fewer than all the units according to
49.22 Minnesota Statutes, section 515B.3-115, subsection (e). If a plan is approved, a
49.23 description of the plan is attached to this certificate.

49.24 3. In addition to the amounts due under paragraph 2, the following additional fees or
49.25 charges other than assessments are payable by unit owners (include late payment charges,
49.26 user fees, etc.):

49.27

49.28

49.29

49.30 4. There are no extraordinary expenditures approved by the association, and not yet
49.31 assessed, for the current and two succeeding fiscal years, except as follows:.....

49.32

49.33

50.1 5. The association is obligated to replace the following components of the common
50.2 interest community:.....

50.3

50.4

50.5 The association has the following amounts in its reserves for replacement of those
50.6 components:

50.7

50.8

50.9 The replacement of the following components is funded by assessments levied only against
50.10 the unit or units served by the component, pursuant to Minnesota Statutes, section
50.11 515B.3-115(e)(1) or (2).....

50.12

50.13

50.14 6. The following documents are furnished with this certificate according to statute:

50.15 a. The most recent regularly prepared balance sheet and income and expense
50.16 statement of the association.

50.17 b. The current budget of the association.

50.18 7. There are no unsatisfied judgments against the association, except as follows (identify
50.19 creditor and amount):.....

50.20

50.21

50.22 8. There are no pending lawsuits to which the association is a party, except as follows
50.23 (identify and summarize status):.....

50.24

50.25

50.26 9. Description of insurance coverages:

50.27 a. The association provides the following insurance coverage for the benefit of unit
50.28 owners: (Reference may be made to applicable sections of the declaration or bylaws;
50.29 however, any additional coverages should be described in this space).....

50.30

51.1

51.2

51.3 b. The following described fixtures, decorating items, or construction items within the
51.4 unit referred to in Minnesota Statutes, section 515B.3-113, subsection (b), are insured by
51.5 the association (check as applicable):

51.6 Ceiling or wall finishing materials

51.7 Finished flooring

51.8 Cabinetry

51.9 Finished millwork

51.10 Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures
51.11 serving a single unit

51.12 Built-in appliances

51.13 Improvements and betterments as originally constructed

51.14 Additional improvements and betterments installed by unit owners

51.15 10. The board of directors of the association has not notified the unit owner (i) that any
51.16 alterations or improvements to the unit or to the limited common elements assigned to it
51.17 violate any provision of the declaration; or (ii) that the unit is in violation of any governmental
51.18 statute, ordinance, code, or regulation, except as follows:.....

51.19

51.20 11. The remaining term of any leasehold estate affecting the common interest community
51.21 and the premises governing any extension or renewal of it are as follows:.....

51.22

51.23

51.24 12. This Resale Disclosure Certificate is given in connection with the resale of a unit
51.25 by a unit owner who is not a declarant and who, therefore, is not liable for express warranties
51.26 under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota
51.27 Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer
51.28 of preexisting warranties made by a declarant under the referenced statutes, subject to the
51.29 terms of Minnesota Statutes, sections 515B.4-114 and 515B.4-115.

52.1 13. In addition to the above, the following matters affecting the occupancy or use of the
 52.2 unit, or the unit owner's obligations with respect to the unit, are deemed material:.....
 52.3

52.4 I hereby certify that the foregoing information and statements are true and correct as
 52.5 of.....
 52.6

52.7 (Date)

52.8 By:

52.9 Title:

52.10 (Association representative)

52.11 Address:

52.12 Phone Number:

52.13 RECEIPT

52.14 In addition to the foregoing information furnished by the association, the unit owner is
 52.15 obligated to furnish to the purchaser before execution of any purchase agreement for a unit
 52.16 or otherwise before conveyance, copies of the following documents relating to the association
 52.17 or to the master association (as applicable): the declaration (other than any common interest
 52.18 community plat), articles of incorporation, bylaws, rules and regulations (if any), and any
 52.19 amendments to these documents. Receipt of the foregoing documents, and the resale
 52.20 disclosure certificate, is acknowledged by the undersigned buyer(s).

52.21 Dated:

52.22 (Buyer)

52.23

52.24 (Buyer)

52.25 (c) If the common interest community is subject to a master declaration and governed
 52.26 by a master association to which has been delegated any of the association's powers under
 52.27 section 515B.3-102(a)(2), then the financial information required to be disclosed under
 52.28 subsection (b) may be disclosed on a consolidated basis.

52.29 (d) The association, within ten days after a request by a unit owner, or the unit owner's
 52.30 authorized representative, shall furnish the certificate required in subsection (a). The
 52.31 association may charge a reasonable fee for furnishing the certificate and any association
 52.32 documents related thereto. A unit owner providing a certificate pursuant to subsection (a)
 52.33 is not liable to the purchaser for any erroneous information provided by the association and
 52.34 included in the certificate. A unit owner who has acquired title to a unit pursuant to section

53.1 515B.3-104 including, but not limited to, a unit owner who has acquired title through
 53.2 foreclosure or a deed in lieu of foreclosure, must indicate to the association in connection
 53.3 with a request for a resale disclosure certificate whether the requesting unit owner is or is
 53.4 not a declarant. The unit owner, not the association, is liable for any damage, loss, or other
 53.5 consequence arising out of the incorrect representation of its declarant status.

53.6 (e) A purchaser is not liable for any unpaid common expense assessments, including
 53.7 special assessments, if any, not set forth in the certificate required in subsection (a). A
 53.8 purchaser is not liable for the amount by which the annual or special assessments exceed
 53.9 the amount of annual or special assessments stated in the certificate for assessments payable
 53.10 in the year in which the certificate was given, except to the extent of any increases
 53.11 subsequently approved in accordance with the declaration or bylaws. A unit owner is not
 53.12 liable to a purchaser for the failure of the association to provide the certificate, or a delay
 53.13 by the association in providing the certificate in a timely manner.

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

53.15 Sec. 18. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

53.16 **515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S**
 53.17 **FEES.**

53.18 (a) In addition to any other rights to recover damages, attorney's fees, costs or expenses,
 53.19 whether authorized by this chapter or otherwise, if a declarant, an association, or any other
 53.20 person violates any provision of this chapter, or any provision of the declaration, bylaws,
 53.21 or rules and regulations any person or class of persons adversely affected by the failure to
 53.22 comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102,
 53.23 the association shall have standing to pursue claims on behalf of the unit owners of two or
 53.24 more units. An association is liable to a unit owner for actual damages and shall pay to the
 53.25 unit owner a civil penalty in an amount up to \$1,000.

53.26 (b) The court may award reasonable attorney's fees and costs of litigation to the prevailing
 53.27 party. Punitive damages may be awarded for a willful failure to comply.

53.28 (c) As a condition precedent to any construction defect claim, the parties to the claim
 53.29 must submit the matter to mediation before a mutually agreeable neutral third party. For
 53.30 the purposes of this section, mediation has the meaning given under the General Rules of
 53.31 Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator
 53.32 from the roster maintained by the Minnesota Supreme Court, the parties may petition the
 53.33 district court in the jurisdiction in which the common interest community is located to

54.1 appoint a mediator. The applicable statute of limitations and statute of repose for an action
 54.2 based on breach of a warranty imposed by this section, or any other action in contract, tort,
 54.3 or other law for any injury to real or personal property or bodily injury or wrongful death
 54.4 arising out of the alleged construction defect, is tolled from the date that any party makes
 54.5 a written demand for mediation under this section until the latest of the following:

54.6 (1) five business days after mediation is completed; or

54.7 (2) 180 days.

54.8 Notwithstanding the foregoing, mediation shall not be required prior to commencement
 54.9 of a construction defect claim if the parties have completed home warranty dispute resolution
 54.10 under section 327A.051.

54.11 (d) The remedies provided for under this chapter are not exclusive and do not abrogate
 54.12 any remedies under other statutes or the common law, notwithstanding whether those
 54.13 remedies are referred to in this chapter.

54.14 (e) An association may not retaliate against a unit owner for asserting any right the unit
 54.15 owner has under this chapter or other law. For purposes of this subsection, "asserting any
 54.16 rights" includes but is not limited to filing an action in district court to enforce a right or
 54.17 remedy provided by this chapter, other law, or the declaration, bylaws, rules, or regulations
 54.18 of the association; or by filing a complaint with local authorities regarding a violation of a
 54.19 health, safety, housing, or building code or ordinance. An association may not decrease
 54.20 services or impose a fine or other penalty or charge legal fees to a unit owner, nor may the
 54.21 association make the resumption of services or removal of the fine, penalty, or legal fees
 54.22 contingent on a unit owner withdrawing an action in district court or complaint with local
 54.23 authorities.

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

54.25 **ARTICLE 3**

54.26 **LOCAL GOVERNMENT PREEMPTION**

54.27 Section 1. Minnesota Statutes 2024, section 394.25, is amended by adding a subdivision
 54.28 to read:

54.29 **Subd. 11. Homeowners associations.** (a) A county must not condition approval of a
 54.30 residential building permit or conditional use permit; residential subdivision development
 54.31 or residential planned unit development; or any other permit related to residential
 54.32 development on the:

55.1 (1) creation of a homeowners association;

55.2 (2) inclusion of any service, feature, or common property necessitating a homeowners
55.3 association;

55.4 (3) inclusion of any terms in a homeowners association declaration, bylaws, articles of
55.5 incorporation, or any other governing document that is not required under state law; or

55.6 (4) adoption or revocation of, or amendment to, a rule or regulation governing the
55.7 homeowners association or its members.

55.8 (b) A county must not take any action that requires a residential property to be part of
55.9 a homeowners association or provide an incentive for such membership. A county must not
55.10 require or incentivize a homeowners association to adopt, revoke, or amend a term in any
55.11 governing document or a rule or regulation not required under state law.

55.12 **Sec. 2. [462.3577] MUNICIPALITIES; HOMEOWNERS ASSOCIATIONS.**

55.13 (a) A municipality, joint planning board, or public corporation must not condition
55.14 approval of a residential building permit or conditional use permit; residential subdivision
55.15 development or residential planned unit development; or any other permit related to
55.16 residential development on the:

55.17 (1) creation of a homeowners association;

55.18 (2) inclusion of any service, feature, or common property necessitating a homeowners
55.19 association;

55.20 (3) inclusion of any terms in a homeowners association declaration, bylaws, articles of
55.21 incorporation, or any other governing document that is not required under state law; or

55.22 (4) adoption or revocation of, or amendment to, a rule or regulation governing the
55.23 homeowners association or its members.

55.24 (b) A municipality, joint planning board, public corporation, or the Metropolitan Council
55.25 must not take any action that requires a residential property to be part of a homeowners
55.26 association or provide an incentive for such membership. A municipality, joint planning
55.27 board, public corporation, or the Metropolitan Council must not require or incentivize a
55.28 homeowners association to adopt, revoke, or amend a term in any governing document or
55.29 a rule or regulation not required under state law.

APPENDIX
Article locations for 25-03919

ARTICLE 1 PROPERTY MANAGEMENT..... Page.Ln 1.13
ARTICLE 2 COMMON INTEREST COMMUNITIES..... Page.Ln 3.1
ARTICLE 3 LOCAL GOVERNMENT PREEMPTION..... Page.Ln 54.25