

March 31, 2025

Minnesota Committee on Housing Finance and Policy
Minnesota State Capitol
75 Rev Dr Martin Luther King Jr Boulevard
Room G-3 Capitol
Saint Paul, MN 55155

RE: CAI Opposition-HF 1931: Authority Provided to the Attorney General to Enforce Laws Related to Common Interest Communities.

Dear Chairman, Igo and members of the Housing Finance and Policy Committee:

On behalf of Community Associations Institute¹ (CAI)'s Minnesota Legislative Action Committee and approximately [1,556,000 Minnesotans living in 620,100 homes in more than 7,950 community associations](#), thank you for the opportunity to provide comment on HF 1931: Authority Provided to the Attorney General to Enforce Laws Related to Common Interest Communities.

The Minnesota Chapter of the Community Associations Institute (CAI-MN) writes to oppose HF 1931 (Bahner), which would subject private contracts entered into by homeowner associations to oversight and enforcement by the Office of Attorney General.

Minnesota Statutes § 8.31 is a broad consumer protection statute that was never designed to intervene in private contract disputes that do not have a nexus to broader consumer fraud. Further, most Homeowner Associations are governed by Chapter 515B, the Minnesota Common Interest Ownership Act (MCIOA), which contains its own dispute resolution provisions, including the potential for attorney fees to be awarded to the prevailing party.

CAI-MN participated in the recent HOA Working Group and has devoted many hours to discussing disputes that arise between HOA residents, board members, and contractors who do business with them. CAI-MN understands that disputes can be difficult to resolve, which is why we support legislation creating an HOA Ombudsperson (HF 856, Moller). An ombudsperson would have the ability not only to educate HOA residents and board members, but to mediate disputes, and should be a priority for the legislature to pass this session. Creating a neutral mediator with expertise in HOA law is a far

superior approach than granting unrestricted and undirected power to the Attorney General.

Finally, Minn. Stat. 8.31, subd. 3a, the “private attorney general” statute, would allow individuals to bring actions against associations and any other entities providing services to an HOA, under the name of the state. This has the potential to lead to a significant increase in litigation and in insurance costs. The insurance market for HOAs is already in crisis, and increased litigation via Minn. Stat. 8.31 will do nothing to solve this problem.

CAI-MN respectfully requests that the Housing Committee table this bill and focus on other more appropriate means to assist HOAs and their members.

Please feel free to contact us to discuss these comments or any legislation impacting community associations and their residents in Minnesota.

Sincerely,

CAI Minnesota Legislative Action Committee