

February 24, 2026  
House Commerce Committee  
Minnesota House of Representatives  
State Capitol  
St. Paul, Minnesota 55155

RE: Opposition to HF 1268 / SF 1750 — Common Interest Communities

Dear Chair and Committee Members,

On behalf of SoHo Lofts Association, CIC No. 1679, we submit this letter in opposition to HF 1268 and SF 1750 (3rd Engrossment) as currently written. We understand the goal of protecting homeowners in common interest communities, and we support that goal. However, parts of this bill will cause serious problems. They will raise costs, increase lawsuits, and weaken the financial health of the communities they are meant to help.

#### Section 5 — Powers and Duties of the Association

This section limits late fees and fines, restricts attorney fees, requires dispute resolution before collections, and blocks the assignment of certain debts. While we support protection from unfair practices, these rules go too far. They shift the cost of enforcement from the person who breaks the rules to all homeowners.

If a homeowner simply questions a fine, the association may not be able to recover legal costs, even if the fine is upheld. The bill also requires dispute resolution before collections can begin and caps fines at \$100. There is no clear timeline for this process. A homeowner could delay payment for a long time with little consequence. These changes make it very hard for associations to enforce their rules and meet their legal duties.

#### Section 7 — Bylaws

This section allows bylaws to be changed or removed if 20% of owners sign a petition and a simple majority votes yes. This is too low of a threshold.

Communities need stable and reliable rules. Lenders also rely on steady governance when approving mortgages. With such a low standard, rules could change often. This would create confusion, increase legal costs, and make it harder for buyers and owners to plan for the future.

#### Sections 10 and 11 — Assessments

These sections require associations to offer payment plans and limit the recovery of attorney fees in assessment disputes. Payment plans can be helpful in cases of real hardship.

However, if associations cannot recover legal costs for collecting unpaid dues, those costs are passed on to other homeowners through higher assessments. Associations are legally required to collect assessments. If they cannot enforce payment, responsible homeowners end up paying more. This removes an important incentive for owners to stay current.

#### Section 12 — Liens and Foreclosure

This section raises the amount owed before foreclosure can begin. While we agree that small fines should not lead to foreclosure, applying these limits to unpaid assessments is risky.

Even \$1,500 in unpaid dues can hurt a small association. It may affect insurance coverage, reserve funding, or needed repairs. The association's bills do not stop when one owner does not pay. Other homeowners must cover the shortfall. Ongoing unpaid dues can also affect mortgage approvals and refinancing for everyone in the building.

### Section 13 — Dispute Resolution

This section creates a required dispute resolution process before collections can begin, at no cost to the unit owner. We support fair and affordable dispute resolution.

However, there is no timeline in the bill. A homeowner could start the process and delay it without penalty. During that time, the association cannot move forward with collections. This could be used as a delay tactic.

Dispute resolution may make sense for contested fines. It does not make sense for unpaid assessments, which are clear financial obligations. Adding this extra step for unpaid dues only delays payment and harms the community.

We appreciate your time and attention to these concerns. Common interest communities include thousands of Minnesota homeowners who depend on stable and enforceable rules. We ask the committee to gather more input from stakeholders before moving this bill forward. We welcome continued conversation.

Respectfully submitted,

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C/O Lucas Bitzan, Treasurer