

To: Co-Chairs Koegel and O'Driscoll and Members of the House Commerce Finance and Policy Committee

From: Ellen Bump, Board Member of Eagan Oaks Townhomes Association

Date: February 23, 2026

RE: HF 1268 / SF 1750

Dear Co-Chairs Koegel and O'Driscoll and Members of the Committee:

I am the secretary and treasurer of a 45-unit townhome association. I volunteer to serve on my HOA board simply because someone has to do it. It's a thankless job that takes a significant amount of my personal time but is necessary to ensure that the community in which I live remains a desirable place to live.

While there are portions of what passed as SF 1750 that are fine and the way we do business anyway, my concerns are with the unintended consequences of a few parts of the bill that will negatively impact HOAs – specifically, those that have the potential to increase our costs and inhibit our ability to attract and retain new board members.

- While the **limitations imposed on associations related to collecting on past due accounts** have significantly improved from the first draft of HF 1268, as currently written in SF 1750 they **will still lead to increased costs for those homeowners who are not delinquent in paying their assessments**. We have a policy related to collecting on past due accounts which follows our governing documents and state law. However, if we have to wait even longer to start processes, it is likely that more homeowners will lose their homes through foreclosure. Sometimes, only the threat of foreclosure will drive a homeowner to become current on their account. The deeper into debt they are allowed to go, the more difficult it will be to dig themselves out of that hole. And if we have more than one homeowner in that situation, it places even more financial stress on the association. We either have to forego important maintenance and services for the entire association or increase dues.
- **The proposed language related to allowing for a payment plan which takes into account the financial situation of the homeowner has the potential to drive claims of unequal treatment**. I have no problem with agreeing to a payment plan with a delinquent homeowner as long as that payment plan is no better or worse than what another homeowner is offered. To offer one homeowner 6 months and another 12 months to pay off their delinquency could drive claims of discrimination.
- **The proposed language that will allow anyone to speak about anything during a board meeting has the potential to completely derail board meetings**. We do allow homeowners to attend board meetings and speak during an open forum, and allowing someone with a legal power of attorney to represent a homeowner is reasonable. However, allowing a homeowner to designate someone to speak who doesn't have an ownership stake in the HOA, such as a friend who is a law student or an owner's tenant, could seem threatening or cause the board to be distracted from matters important to those that own the homes.
- **The proposed language that will require a budget to be approved at an annual meeting will change the purpose of an annual meeting, create chaos in scheduling such meetings and place additional stress on board members**. Annual meetings are held to report on the state of the association, elect board members and very occasionally conduct other business where a homeowner vote is required,

such as the amendment of a governing document. Very few annual meetings are scheduled at the same time as when the board votes on a budget. Most budgets are based on a calendar year, so budget approval typically happens in October or November. Annual meetings are set based on what the bylaws require. HOAs that utilize management companies rely on them to provide notifications, compile supporting documents and attend the meetings. Forcing most annual meetings to occur at the same time of year will increase HOA costs to compensate management companies for additional staffing or cause additional work load for volunteer board members. Forcing most annual meetings into the October/November timeframe will also drive an increase in annual meeting costs, because there will be more demand than supply for low to no cost space, like libraries and community centers, in which to hold the meetings.

Like every other type of living situation, HOAs have their pros and their cons. I don't doubt that there are some HOA boards who overstep their boundaries. However, after my reading of HF 1268/SF 1750, I fear that the portions of the proposed legislation that I have mentioned will drive HOAs to be a less desirable place to live. Costs will increase for all HOA members thereby making our homes less affordable. And we will have even greater difficulty in attracting homeowners to step up and serve as board members.