

1.1 Igo from the Committee on Housing Finance and Policy to which was referred:

1.2 H. F. No. 1268, A bill for an act relating to common interest communities; prohibiting
1.3 certain practices relating to property management companies; modifying rights and duties
1.4 of common interest communities; modifying rights of a unit owner; modifying termination
1.5 threshold; establishing a meet and confer process; modifying notice of meetings; prohibiting
1.6 certain governing bodies from requiring or incentivizing creation of homeowners associations;
1.7 amending Minnesota Statutes 2024, sections 394.25, by adding a subdivision; 515B.1-102;
1.8 515B.2-103; 515B.2-119; 515B.3-102; 515B.3-103; 515B.3-106; 515B.3-107; 515B.3-108;
1.9 515B.3-110; 515B.3-115; 515B.3-1151; 515B.3-116; 515B.4-102; 515B.4-1021; 515B.4-107;
1.10 515B.4-116; proposing coding for new law in Minnesota Statutes, chapters 325E; 462;
1.11 515B.

1.12 Reported the same back with the following amendments:

1.13 Page 1, delete article 1

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

1.16 Page 4, line 17, strike the second comma and insert a semicolon

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

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

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

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

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

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

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

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

2.3 Page 20, delete line 2

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

2.8 Page 20, delete line 4

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

2.11 Page 20, line 9, after "(3)" insert "no association or board of directors of an association
2.12 shall"

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

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

2.16 "(4) no management company or the employee, owner, or individual with a financial
2.17 interest in a management company that is providing services to an entity covered by this
2.18 chapter may have a financial interest in a business the association or management company
2.19 has hired or contracted with for goods or services in excess of \$2,000 in any calendar year
2.20 and may not solicit or accept any gift, money, rebate, gratuity, or direct or indirect
2.21 compensation from any person or entity performing services for the association or for the
2.22 award of a contract for goods or services; or"

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

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

2.27 Page 20, after line 19, insert:

2.28 "(i) An annual report must be prepared and signed by each member of the board of
2.29 directors for the association listing all contracts for goods or services for the previous budget
2.30 year, including the purpose of the contract, the amount of the contract, the identity of the
2.31 recipient of the contract award, the date of the meeting the contract was approved, the
2.32 directors present at the meeting, the date the contract became valid, and any fees or payments

3.1 made related to the contract to a third party or management company. The annual report
 3.2 must be sent to each member owner annually.

3.3 (j) A property management company that is hired by a board of directors or association
 3.4 covered under this section may not enter into a contract that automatically renews for goods
 3.5 or services for the association, unless the contract provides that the association or
 3.6 management company can terminate the contract at any time with no more than 60 days'
 3.7 notice."

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

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

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

3.11 Page 48, delete section 17

3.12 Page 55, after line 11, insert:

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

3.16 Page 55, after line 29, insert:

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

3.20 Page 55, after line 29, insert:

3.21 "Sec. 3. Laws 2024, chapter 96, article 2, section 13, is amended to read:

3.22 **Sec. 13. EFFECTIVE DATE.**

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

3.24 **Sec. 4. REPEALER.**

3.25 Minnesota Statutes 2024, section 308C.003, subdivision 3, is repealed."

3.26 Renumber the articles and sections in sequence

3.27 Amend the title as follows:

3.28 Page 1, line 2, delete everything after the semicolon

4.1 Page 1, line 3, delete everything before "modifying"

4.2 Correct the title numbers accordingly

4.3 With the recommendation that when so amended the bill be re-referred to the Committee
4.4 on Judiciary Finance and Civil Law.

4.5 This Committee action taken March 4, 2025

4.6 , Chair