

February 24, 2026

Representative Erin Koegel
Representative Tim O'Driscoll
Co-Chairs of the Commerce Finance and Policy Committee

Re: HF 1268 — Bahner: Common interest communities rights and duties modified, unit owner rights modified, termination threshold modified, meet and confer process established, notice of meetings modified, and governing bodies prohibited from requiring or incentivizing creation of homeowners associations.

Dear Chair Koegel, Chair O'Driscoll and Members of the Commerce Finance and Policy Committee,

The City of Minneapolis appreciates the opportunity to comment in strong support of HF 1268/SF 1750, an urgently needed and carefully crafted update to Minnesota's Common Interest Community (CIC) and Homeowners Association (HOA) laws. This legislation reflects months of collaboration through the Legislature's HOA Working Group and incorporates testimony from homeowners across the state who have shared experiences of opaque governance, sudden legal fees, unreasonable fines, and foreclosure threats for relatively minor issues.

Across Minnesota, more than 8,000 HOAs affect over one million residents. In Minneapolis, thousands of homeowners and condominium residents live in common interest communities that play an important role in our city's housing ecosystem. While many HOAs operate responsibly and in good faith, the City regularly hears concerns from residents who report difficulty accessing financial records, learning meeting dates, or receiving answers to basic governance questions without incurring attorney fees. Some homeowners have faced escalating fines and fees without clear notice or an opportunity to remedy concerns. Others have encountered inconsistent governance practices, barriers to participation in board leadership, or unclear dispute-resolution processes.

This legislation establishes common-sense standards that improve transparency, ensure clear communication, prevent conflicts of interest, and promote stable homeownership by creating clear governance expectations. Key reforms include:

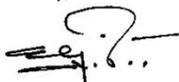
- Requiring HOA rules to be reasonable, clearly noticed, and open for homeowner comment.
- Capping fines and late fees consistent with national best practices.
- Ensuring a fair, no-cost initial dispute resolution process before matters escalate.
- Creating protections against retaliation for homeowners who request information or assert their rights.
- Establishing competitive bidding and conflict-of-interest safeguards for property management companies.
- Setting a clear delinquency threshold before foreclosure can begin, reducing unnecessary loss of homes.
- Ensuring homeowners can access basic operational and financial information without fear of legal charges.

These reforms are balanced, bipartisan, and responsive to real issues facing Minnesota families. Clear governance standards support not only homeowners, but also volunteer board members and property managers seeking consistent expectations and best practices.

Strengthening transparency and housing stability in common interest communities aligns with Minneapolis' broader goals of promoting equitable housing access, preventing displacement, and supporting sustainable homeownership. Minnesota can and should join the many states that already provide strong, practical HOA protections. HF 1268/SF 1750 is a responsible step toward fairness, transparency, and long-term housing stability.

Thank you for your consideration. The City of Minneapolis respectfully urges your support of this important legislation.

Sincerely,



Elfric K. Porte, II.
Director, Housing Policy & Development
Community Planning and Economic Development
City of Minneapolis