



HOA LEADERSHIP NETWORK

By Board Leaders. For Board Leaders.



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NETWORK

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The Working Group on Common Interest Communities and Homeowners Associations

Created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing.






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Legislative Coordinating Commission
Working Group on Common Interest Communities and Homeowners Associations

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Working Group on Common Interest Communities and Homeowners Associations

The Working Group on Common Interest Communities and Homeowners Associations was created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing.

[Minnesota Laws 2024, Chapter 127, Article 15, Section 48](#)

E-mail Notification of Working Group Meetings

Sign up for email notification of all Working Group meetings and announcements.

Combined Meetings

December 2024						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

Working Group Meetings

December 6, 2024



Working Group on CIC and HOA – House File 5032

- **Response to** repeated HOA homeowner complaints
- **Enabling legislation** - Rep. Kristin Bahner and others (37B)
- **Charged to** review prevalence and impact of Common Interest Communities (CIC) and Homeowner Associations (HOA) and how *existing laws* help homeowners and tenants access safe and affordable housing.



Working Group on CIC and HOA – House File 5032

- **Members represent:** legislators, HOA board and homeowners, attorneys, realtors, CAI-Minnesota, association management, affordable housing, cities, Attorney General, and others
- **Meetings** September 9, 2024 – January 2025
- **Report to legislature** in February 28, 2025



HOA Authority and Guidance before 1994

Condominiums

- Minnesota Condominium Act 515
- Uniform Condominium Act 515B

Townhomes and other HOAs relied on governing documents

- Often outdated provisions and language
- Difficult to interpret and enforce

Other: Minnesota Nonprofit Corporations Act 317A



Minnesota Common Interest Ownership Act – MCIOA (515B)

Applies to most condominiums and to townhomes after June 1994

Gives authority and duties to HOA through its board leaders

- Mandatory homeowner membership, duties, and rights
- Board fiduciary duties
- Board authority to govern through laws and governing documents
- Board authority to conduct financial operations



Minnesota Common Interest Ownership Act – MCIOA (515B)

Benefits for HOAs - Clarity and consistency

- Adopt budgets and collect assessments
- Hold meetings and elections
- Maintain, repair and replace common property
- Adopt, change, and revoke rules and regulations
- Contract for services
- Apply liens and foreclosures



Minnesota Common Interest Community Act – MCIOA (515B)

Mixed disadvantages for HOAs and homeowners

- HOA master insurance
- “Adequate” reserve funds
- Increase homeowner assessment for reserves
- Cost of annual financial audit



Work Group Meetings So Far

Leadership: Rep. Bahner, Chair; Sen. Eric Lucero, Co-Chair (Dist. 30)

Meetings: September 10, October 4 & 25, November 15 & 26, December 6

Public listening sessions

- December 5 (Maple Grove), December 19 (Maplewood)
- Two other locations to be determined



Work Group Meetings So Far

Format

- **Presentations** on meeting topics from local content experts
- **Dissatisfied** HOA homeowners
 - HOA board
 - Association manager
 - Attorney
 - Cities and others



My Remarks to the Work Group on November 26, 2024

- HOAs are more alike than different
- HOA board leaders want and need to be successful
- HOA homeowners deserve to benefit from HOA living
- Need for HOA board leaders and homeowner support
- Policy-makers can and should support HOAs boards and homeowners



My Remarks to the Work Group on November 26, 2024

1. Codify Minnesota HOA board leader education in law.
2. Codify Minnesota HOA homeowner grievance mechanism in law.
3. Promote certification of Minnesota HOA association managers.
4. Strengthen HOA registration in the Minnesota Secretary of State.
5. Strengthen regulatory oversight of Minnesota HOA insurance.



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MINNESOTA LEGISLATIVE WORKING GROUP UPDATE, DECEMBER 2024