

2026 MINNESOTA HOA LEGISLATIVE UPDATE

SF 1750 is a bill, which was signed into law by Governor Walz. This bill modified the Minnesota Common Interest Ownership Act, Minn. Stat. § 515B ("MCIOA"). It is the most substantial change to MCIOA since MCIOA's creation.

WHO IS IMPACTED?

The new legislation modifies MCIOA and the changes therefore affect all associations subject to MCIOA. This includes all condominiums, most townhomes created after June 1, 1994, and other associations which have opted into MCIOA by amending their Declaration. SF 1750 modifies the resale disclosure requirement in MCIOA, which applies to some non-MCIOA associations.

WHY DID THIS HAPPEN?

News coverage about, and largely critical of, Minnesota homeowner associations in the last few years created the political will for politicians to try and address what they perceived as homeowner association issues.

The legislature created the HOA Working Group which met in 2024 and produced recommendations to the legislature. These recommendations became the basis for SF 1750.

HOW DID THIS HAPPEN?

Minnesota has a two-year legislative cycle, so bills have two years to become law. The original version of SF 1750 was introduced in the 2025 legislative cycle and passed the Minnesota Senate but stalled in the House of Representatives.

The House of Representatives picked the legislation back up in 2026 and eventually passed it. The Senate voted again and consented to the changes made by the House at which point it was sent to and signed by Governor Walz.

WHEN DOES IT TAKE EFFECT?

The bill was signed by Governor Walz. One small provision, the provision adding new definitions to Minn. Stat. § 515B.1-103, became law immediately, but the remainder of the changes go into effect on January 1, 2027.

SUBSTANCE OF SF 1750

SF 1750 is a long and complex bill that amends an equally long and complex statute. The legislation itself is over 50 pages long and inserts, deletes, and edits many provisions of MCIOA, which itself is a nearly 100-page statute. The summary below is intended only as a high-level outline of the major changes. Associations should consult with their attorney on specific questions.

RULES & ENFORCEMENT

Rules: Must be reasonable.

- New formal processes to be followed prior to adoption, including notice and comment period for Owners.

Fines: Maximum \$100 fine.

- Exceptions for (1) repeat violations; (2) health/safety; (3) physical damage; and (4) Owner is using property for financial enrichment.
- Association must provide list of common fines and description of remedies available to the association.

Due Process: For violations, fines, and assessments for damage caused by an Owner/occupant/invitee/guest the association must provide:

- Opportunity to appeal/contest within 30 days.
- Owner has the right to an attorney/representative.
- No attorneys' fees can be assessed until after the hearing.
- Attorneys' fees can only be assessed if appeal is upheld (upholding fine requires formal resolution which includes explanation for upholding fine).

COLLECTIONS

Association must have a collection policy.

Interest and Late Fees:

- Interest capped at 8% per year.
- Late fees capped at the greater of (1) \$20 per month or (2) 5% of the total past due balance per month.

Payments:

- Must accept payments absent some minor exceptions.
- Must apply payments first to regular and special assessments (not legal/fines).
- Must consider offering reasonable payment plan to Owners.

Foreclosure:

- Cannot commence foreclosure until assessments are at least 90 days past due.
- Three notifications from association/manager prior to referral to attorney/collection agency (one notice must be certified mail).
- Lawyer foreclosing must have sent preforeclosure notices via U.S. and certified mail.



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SUBSTANCE OF SF 1750 CONTINUED

GOVERNANCE

Budget: Must provide proposed budget to Owners prior to Board approval meeting.

Annual Packet: Additional language re: loss assessments.

Resale Disclosure Additions:

- List of fines, collection policy, and reserve study—if you have a reserve study.
- Language re: Owners' rights and obligations living in the association.

Board of Directors:

- Must have regular elections.
- Three-year terms for each director, no term limits.
- Director terms must be staggered.
- Any director filling a vacancy serves the remainder of term.

Board Meetings: Agendas and contracts/documents to be voted on by the Board must be provided to Owners prior to the meeting.

Homeowner Forum:

- Homeowner (or a person designated by the Owner in writing) can speak on any agenda item.
- Board can limit time people can speak and remove people if needed.
- Board cannot fine owners for exercising this right.

Working Sessions: Board can meet outside of a formal meeting without minutes or notice so long as they don't make decisions.

Conflict of Interest:

- If Board members or their family have material financial interest, they must recuse (remove) themselves from discussing or voting on the topic.
- Board members cannot accept anything of value to vote in favor of construction contracts.
- If the association manager signs contracts on behalf of the association, management company/its employees can't accept anything of value to enter a construction contract.

Safe at Home:

- Minn. Stat. § 5B (Safe at Home) provides anonymity to people who meet certain criteria.
- If an Owner within an HOA is a participant in Safe at Home, the association must (among other things) anonymize their information.
- A violation of Safe at Home is now a violation of MCIOA, creating possible liability for attorney fees' and punitive damages.

CONTRACTS

Construction contracts over \$50,000:

- Need three bids (narrow exceptions).
- Need to disclose in minutes if any bids are from anyone affiliated with board members, property managers, or their families.
- Must maintain records of bids for six years.
- Must maintain records of what criteria it used in selecting the bid (best practice: in meeting minutes).

Property Management:

- If Declarant enters a management contract, it expires 12 months after declarant control period.
- Auto-renewing (Homeowner Board): Association has the option to cancel by providing notice at least three months prior to renewal date.
- Non-auto-renewing (Homeowner Board): Association has the option to cancel at any time with three months' notice.

OTHER COVENANT ENFORCEMENT

Parking: Limits ability of Boards to regulate parking including places like driveways (narrow exceptions).

Architectural: Association must adopt formal procedure for approving architectural requests.

DISPUTES WITH OWNERS

Grievances: Association must allow Owners to present grievances, make good faith effort to resolve, and if unable, refer the Owners to the Ombudsperson.

Inquiries: Before an Owner's inquiry is referred to the association attorney, the Association must provide notice and information about the inquiry to the Owner at no cost.

Retaliation: Association cannot retaliate against homeowners for asserting their rights.

MISCELLANEOUS

Local Government: Cities cannot require HOAs as a condition for permits.

Termination: Lowered requirements for terminating single family home associations without common elements.

DOCUMENTS/POLICIES YOU WILL NEED

- ☐ Rule adoption procedure.
- ☐ Covenant enforcement policy, fine schedule, and list of remedies.
- ☐ Collection policy.
- ☐ Grievance, owner inquiry, and legal referral policy.
- ☐ Architectural review procedure and application.
- ☐ Board meeting and homeowner forum procedures.
- ☐ Conflict of interest and competitive bidding procedures.
- ☐ Revised violation, fine, and hearing resolution letters.
- ☐ Revised annual and resale disclosure packets.

SJJ Law has a complete set ready. Call us to put them in place well before January 1, 2027.