

Sec. 48. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND HOMEOWNERS ASSOCIATIONS.**

Subdivision 1.

Creation; duties.

(a) A working group is 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. The working group shall study:

(1) how many CICs and HOAs exist, how many people may reside in those housing units, and where they are located in the state;

(2) the governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs;

(3) the fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;

(4) whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents;

(5) how the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs;

(6) the impact of CICs and HOAs on the housing market and housing costs;

(7) the racial disparity in homeownership as it relates to CICs and HOAs;

(8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

(9) how other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures; and

(10) how the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

(b) The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Subd. 2.

Membership.

(a) The working group shall consist of the following:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) one member from the Minnesota Homeownership Center;

(4) one member from the Community Associations Institute;

(5) one member from a business association that supports, educates, or provides services

to CICs and HOAs in Minnesota designated by the commissioner of commerce;

(6) one member from a legal aid association familiar with housing laws and representing

low-income clients designated by Mid-Minnesota Legal Assistance;

(7) one member from the Minnesota Association of Realtors;

(8) one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the State Bar Association;

(9) one member who is an attorney who regularly works advising CIC and HOA boards

designated by the State Bar Association;

(10) one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area designated by League of Minnesota Cities;

(11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;

(12) one member from the attorney general's office designated by the attorney general;

(13) one member designated by the North Country Cooperative Foundation and one member to be designated by the Senior Housing Cooperative Council;

(14) four members who are current or recent owners of a residence that is part of a CIC or HOA designated by the Housing Justice Center.

(b) Appointments and designations for members of the working group shall be made by

July 1, 2024, and information about the appointed and designated members shall be provided by the commissioner of housing finance to the chairs and ranking minority members of the legislative committees with jurisdiction over housing no later than July 1, 2024.

Subd. 3.

Facilitation; organization; meetings.

(a) The Legislative Coordinating Commission shall facilitate the working group, provide administrative assistance, and convene the first meeting by July 15, 2024. Members of the working group may receive compensation and reimbursement for expenses as authorized by Minnesota Statutes, section 15.059, subdivision 3.

(b) The working group must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1. Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4.

External consultation.

The working group shall consult with other individuals and organizations that have expertise and experience that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with experience living in CICs and HOAs as well as working with the board of directors for CICs and HOAs.

Subd. 5.

Report required.

The working group shall submit a final report by February 1, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy, commerce, and real property. The report shall include recommendations and draft legislation based on the duties and focus for the working group provided in subdivision 1.

Subd. 6.

Expiration.

The working group expires upon submission of the final report in subdivision 5, or February 28, 2025, whichever is later.

EFFECTIVE DATE.

This section is effective the day following final enactment and expires March 1, 2025.