

Principle Mapping	Issue	Recommendation	Notes -- WILL NOT APPEAR IN REPORT; JUST FOR REFERENCE WHILE REVIEWING
Reasonableness, Fairness, Transparency	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.1 Establish a clear "Reasonableness and justifiable standard" (legal) for Boards and Property Management Decisions	Suggested by Chair Bahner, Vice Chair Lucero, Member Cole - Add clarity to the term "reasonable" in the statute (e.g. "reasonable fees"). (Can we look to existing statute for the do's/don'ts of what may be charged by landlords, i.e., what is permissible? A schedule of fees? Timelines? Requirements on interest charged on fees? And potential caps on the fees?). Creating standards would require funding for the purpose of creating best practices/standards. Creating minimum standards/recommended standards around education is high impact. Need to put a definition around "Reasonable"--pose this question to the larger group? Use "justifiable" instead of reasonable?"
Fairness	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.2 Make unenforced covenants "automatically" revoked unless HOAs collectively renew them at annual meetings.	Suggested by Member Murray. If there is a rule that is not being enforced, don't let it lay dormant to be selectively applied.
Transparency	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.3 Set Limitations on practices dictating single family homes (e.g., solar panels, pollinator garden, not barring home businesses, not barring work vehicles parked in driveways)	Suggested by Member Young Kimball. Chair Bahner: Bill introduced in 2023 will likely return in 2024 re: solar panels, home businesses. Sustainability (related to solar panels). Having clear and reasonable dissolution standards for a) HOAs with shared property and b) HOAs of single family homes without common interest. Member Borden: This could be solved by putting guidelines in place with the development of the single family association and not allowing developers to draft declarations and rules and regulations over what the owner's do on their property. It starts with the development of the association. Member Green: Explore other options for these developers and cities that don't involve creation of an HOA that doesn't fit well and that people don't want to be in.
Reasonableness	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.4 Require that boards and property managers must provide an open forum in open meetings for homeowner questions and right to see governing documents (without fines/fees) and notice is required re: HOA board meetings at a designated time and place.	Suggested by Chair Bahner. Open meeting law in 317.A does apply to all nonprofit organizations, meeting that HOA board meetings have to be open to all members. Open meeting law--does a notice need to go out about the HOA board meeting? Add clarification on the notification re: board meetings to all members (and certain period of time when notice must be given).
Transparency	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.5 Provide clear and reasonable guidelines for when a HOA must not be created or an alternative structure to oversee common maintenance, or elements (elder community)	Consider limits for the number of units required to qualify for an HOA and standard criteria

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Transparency, Legal Parity	1. Governance - Board Elections, Open Meetings, Documents (Bylaws), dissolution, Freedoms (Random Mandates)	1.6 Remove M.S. 515b governance over housing cooperatives, allowing for M.S. 308c governance.	Member Hanson addition. The Minnesota Legislature passed in 2024 legislation establishing an incorporation and governance statute for housing cooperatives (308c). However, currently in cases of conflict between 308c and 515b, 515b rules. As has been discussed, 515b conflicts with operational requirements of housing cooperatives. As such, housing cooperatives should be governed by a statute that is intended for their unique structure, rather than a statute (515b) that focuses on traditional HOAs/CICs.
Affordability	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.1 Allow Housing Improvement Area (HIA) loans (perhaps capped - look at Egan) to be administered by BOTH cities as well as MHFA, which has more infrastructure to manage these types of loans.	Suggested by Member Taylor. +1 Member Berggren (administered by both).
Affordability	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.2 Use HIA to make repairs for HOAs more affordable, or extend the time frame for payment of the costs	Rep. Mekeland. Example of noncompliance of septic systems after purchase of HOAs by NJ investor and high cost assessed on homeowners. Guardrails around fiscal responsibilities of property managers and boards.
Transparency	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.3 Require Associations to report Annual Financial Accounting - Balance, Reserves, Costs	Minimum Standards
Transparency	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.4 Recommend work group on the issue of HOA insurance	Member Taylor
Fairness, Transparency	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.5 Establish Conflict of Interest (COI) standards in MN Statute, apply COI standards to boards, property Management and vendors/contractors, all COI and relationships must be disclosed and communicated. Full transparency around relationships	I.e., Conflict of Interest, <a href="https://policies.python.org/us.pycon.org/code-of-conduct/Enforcement-Procedures/">https://policies.python.org/us.pycon.org/code-of-conduct/Enforcement-Procedures/</a>
Transparency	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.6 Property managers cannot require an association to work with a specific vendor	
Transparency	2. Financial Interests - Financial Reporting (Documents and Financial Disclosure), Insurance and Reserves,	2.7 Require boards or property managers must see multiple bids for vendors/contractors (seek competitive bids for issues that are not insurance-related), bids should be made available and must be retained for a minimum record retention period. Create a work group to discuss this, if needed. Update statute to require board to hire whoever they would like.	Prohibit Management companies from engaging in self-dealing; and must uphold their fiduciary responsibility to the HOA Members, Extend self-dealing provisions of MN nonprofit law to management companies, or at least minimum disclosure
Transparency	3. Dispute Resolution	3.1 Provide parameters for homeowners to reasonably ask questions without incurring attorney's fees.	Suggested by Member Mekeland. If a member has a clarification question (e.g., something that has been assessed or voted on) submitted by email e.g., protections against attorney's fees. EDUCATION on when legal fees are allowed by statute or disallowed

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Fairness	3. Dispute Resolution	3.2 Appropriate money for a Housing Advocacy Center	<p>Suggested by Member Murray.</p> <p>Housing Advocacy Center would pay interns or data specialists to research conflicts of interest by management companies.</p> <p>In reference to the public testimony delivered at the Maple Grove Library on 12/5/24. Also see <a href="#">this link</a>. Chair Bahner: Some states have a COI document that relates to this issue, but MN does not. Research these models from other states and adding the COI standard. Chair Bahner has emailed NCSL (Morton) re: state language. Alternative: appropriate money for this work in conjunction with Ombuds office. Create the standards; could be an existing organization rather than a new one.</p> <p>Homeline (resources for renters) type organization for all homeowners, e.g., one that does not require income guidelines (required for Legal Aid assistance).</p>
TBD	3. Dispute Resolution	3.3 Create an Office of Ombudsman	<p>Reference: HF4024 (Moller) / SF4244 (Marty)</p> <p>National - Ombudsman: DE, FL, IL, NV, VA (HI passed Study)</p> <p>National Resource Ctr / Complaint Tracking (no dispute resol): CO, SC Complaint trkg Only NC</p> <p>National Internal Dispute Resolution: CA (set fair, reasonable and expeditious std) - nc Written Dispute Mediation by HO or Assoc. This bill has come up in prior years. Ensure this is set up as a neutral third party; advocacy organizations (on either side) are something separate. (Consider: who is this person, what are their qualifications and how do we find them?) Consider what kind of enforcement abilities, if any, would they have? Are they just acting as a mediator or do they have some ability to enforce resolution? And, if only acting as mediator/making recommendations, where does enforcement reside?</p>
TBD	3. Dispute Resolution	3.4 Oversee and Update a Wiki/educational materials and resources page (such as University of Minnesota public law school)	<p>Suggested by Member Murray.</p> <p>PART OF OMBUDS OFFICE CREATION. (Alter from "wiki page" to "educational materials and resources"): education for homeowners and board members</p>
Transparency	3. Dispute Resolution	3.5 Require participation by the Office of the Ombudsman in the Mediation Process	<p>Suggested by Member Cole.</p> <p>(similar to CA written requirement - either party may put forward a request for a dispute resolution). Make it</p> <p>Both parties must attend meetings with the Ombudsman.</p> <p>Attorney's fees should not be used as a disincentive to bring the dispute.</p> <p>Limit/Disallow attorney fees while the dispute is being resolved.</p> <p>Attorney's fees may not be collected if homeowner is "in the right."</p> <p>PART OF OMBUDS OFFICE CREATION.</p>
Fairness, Transparency	3. Dispute Resolution	3.6 Recommend a way for homeowners to resolve disputes, other than the courts. Do not add to responsibilities of the HOA boards.	<p>Suggested by Member Berggren</p> <p>PART OF OMBUDS OFFICE CREATION.</p>

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Fairness	3. Dispute Resolution	3.7 Create an office of the Ombudsman to facilitate open templates for documents and recommended process in order to create an open learning community for HOAs in MN	Suggested by Member Murray PART OF OMBUDS OFFICE CREATION.
Transparency	4. Registration and Licencing, Education and Training	4.1 HOAs must provide information to anyone (including renters) without charge on their rights and responsibilities within the association, including who is on the board and HOA procedures and policies	This was intended to reference access to bylaws and other similar information, another entity should hold this information, clarity around tenant rights
Transparency	4. Registration and Licencing, Education and Training	4.2 Require licensing of HOA association managers, similar to real estate agents	Clear disclosure when there is a conflict, license able to be revoked
Transparency	4. Registration and Licencing, Education and Training	4.3 Public database that includes all associations, property management companies, and a board member listed with the Secretary of State. Registration with the Secretary of State should include this information.	
Reasonableness, Transparency	5. Assessments (General/Special, incl Fines & Fees), Documents (related to Assessments, fines/fees)	5.1 Create a minimum amount (reasonable and justifiable) related to fees assessed/time delinquent, (minimum threshold \$ OR time delinquent) leading to foreclosure	Suggested by Member Berggren
Fairness	5. Assessments (General/Special, incl Fines & Fees), Documents (related to Assessments, fines/fees)	5.2 Create caps and standards (reasonable and justifiable) on fees and fines	Including but not limited to: Attorney Fees Late Fees
Reasonableness, Fairness	5. Assessments (General/Special, incl Fines & Fees), Documents (related to Assessments, fines/fees)	5.3 Set reasonableness standards of rules, including a 60-day (too long, 30-days) notice around fee increases and special assessments	Member Taylor: Can be based on existing MN law related to manufactured homes. E.g., mandating appropriate notice for changes, fees and fines, assessments. Allowing members to speak during HOA Board Meetings. Give Attorney General's office the authority to enforce this. Member Zavadsky: Acknowledge situations (e.g., insurance renewal) where HOAs lack sufficient funds to move forward with insurance quotations. Carveout for emergency situations. (Chair Bahner: Refer to earlier rec on emergency issues. Need to define what constitutes an emergency.)
Fairness	6. Foreclosure	6.1 Ensure new foreclosure laws passed apply to older townhomes (built before 1994), which currently are not part of 515B	Suggested by Member Daly. Older townhomes NOT subject to new law that homeowners don't have to pay attorneys' fees. I.e., townhome owner's still have to pay the fees. Put into the statute that this new law applies to all HOAs/CICs.

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Foreclosure	6. Foreclosure	6.2 HOAs cannot foreclose a lien for fines under \$2500 total (not including attorney fees).	Suggested by Member Daly. Chair Bahner: There is a state that has a regulation that HOAs may not foreclose for amounts less than \$2500. Member Taylor: This regulation was proposed (and had bipartisan support) in North Carolina, but lobbied against by CAI. Member Cole: Opportunity to "cure" before going to foreclosure. If HOA board is not offering a cure, they shouldn't be able to foreclose. Member Anderson: HOA foreclosing a lien for nonpayment of organizational dues consisting of less than three months' worth of dues is not entitled to attorney's fees. Member Butler: Remove the authority to foreclose by HOAs. Only the bank. Member Zavadsky: This would result in a significant amount of deferred maintenance and other HOA members would have to foot the bill.
Transparency	6. Foreclosure	6.3 Pre-foreclosure notices should provide more information (who, what, where why, how much is being assessed, options for addressing the fine/fee, a right to be heard by the board to contest a fine or fee, repayment plan options, and counseling.) If this information is not provided, the preforeclosure notice is void.	Suggested by Member Kimball. Member Howard: Communities should be able to determine for themselves what fees are reasonable. Suggestion by Chair Bahner: Follow up w/ Heather Morton re: Maryland law.  (Removed "statute may require these components already.")
Fairness, Reasonableness	6. Foreclosure	6.4 Prohibit aesthetic rules from being a foreclosable offense. Require an internal dispute resolution process or "right to contest" for a violation of an aesthetic rule in an open meeting. (Perhaps look to examples from municipalities). Board should have a timeline for when to approve requests related to aesthetic mandates.	Suggested by Member Kimball. Utah has some examples of limits to aesthetic mandates--may have practical guidelines. Member Howard: Should not impose a blanket restriction; aesthetics are one of the main reasons homeowners choose an HOA.
Affordability	7. Municipalities	7.1 Make HIA-type loans available to all HOAs. Require all cities or state entity to offer HIA loans as an option (recognizing that currently, some cities do not). Eliminate the "sunset" scheduled to terminate on 6/30/28 so this option continues to be available (421A.21).	Suggested by Member Green. +2 from Member Howard and Member Berggren. Member Berggren: Some cities may not have the capacity to administer the loan. Removed "extend" from "Extend or eliminate". Note overlap with HIA rec from Group 2 (transparency and affordability)
Affordability	7. Municipalities	7.2 Ensure elimination of "double taxation" (taxes + HOA dues)	
Affordability	7. Municipalities	7.3 HIA should allow for a payoff of the loan before the end of the term (at the time of the loan or over time), if the homeowner so desires, if it does not add cost to the municipality.	Suggested by Member Green.
Affordability	8. Civil Rights/Disabilities	8.1 Study social return on investment (SROI) of HOAs to determine how beneficial they are and where the money goes	Member Murray. Map out how the entities are benefiting so the law can address this (concerns around loopholes and appearance of racketeering). Sludge audit of homeownership process and building process.

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Fairness, Reasonableness	8. Civil Rights/Disabilities	8.2 Prohibit HOA's from imposing blanket rental screening restrictions.	Member Taylor addition
Fairness, Reasonableness	8. Civil Rights/Disabilities	8.3 Require HOAs to allow disabled owner's to make modifications to their units and HOA common areas at the owner's' expense in order to accommodate the owner's disability.	Member Taylor addition
Fairness, Reasonableness	8. Civil Rights/Disabilities	8.4 Provide a standard, State of MN-created template form that can be used to request reasonable accommodations for disability.	Member Taylor addition