

# 2024 Legislative Session Report



## 2024 CAI Minnesota Legislative Session Report

Community Associations Institute (CAI) Minnesota Legislative Action Committee (MN-LAC) spent the 2024 legislative session advocating on behalf of the [approximately 1,531,000 Minnesotans living in 612,000 homes in more than 7,850 community associations across the North Star State](#). Minnesota's legislative session began on February 12 and adjourned on May 20, 2024. Below are highlights from the 2024 Minnesota State Legislature:

### **HF 5247 Taxation and state government operations; various provisions modified, and money appropriated.**

HF 5247 was originally introduced to modify state tax credit calculations, but then became an omnibus bill to finance the state government, and enact certain priority legislation, as identified by state legislators.

The language from both **SF 4442/HF 4485 Property management companies certain practices prohibition and certain conduct by associations prohibition** and **SF 5447/HF 5032 Common interest groups and homeowners associations working group establishment** were added to this bill via amendments by the Conference Committee.

The SF 4442/HF 4485 language prohibits automatic renewal of management company contracts, and contains language which limits the total amount an owner can be fined for a single violation at \$100, with an overall cap of \$2,500 when combined with other fees, even in cases of repeated violations of the same rules. It also limits the ability of associations to foreclose unless outstanding charges have been outstanding for more than 180 days.

The LAC **opposed** SF 4442/HF 4485 as it was being discussed in committee. SF 4442/HF 4485 was also included as amendment language in **HF 5242 Transportation supplemental budget bill**. The LAC **opposed** that amendment language, and sent out a call to action to advocates which saw numerous messages sent to state legislators. The LAC was able to work with legislators to remove the SF 4442/HF 4485 language from HF 5242. HF 5242 was ultimately abandoned by the legislature in favor of HF 5247.

The SF 5447/HF 5032 language in the omnibus forms a workgroup to study the number of community associations, governing documents and whether they create barriers to participation, fees associated with community associations and how they have increased, whether there should be uniform statutes regarding fees and fines, how organization/management impacts community association affordability,

impact of community associations on housing costs, racial disparities, regulations in other states, possible reforms to current MN laws. Among the statutory membership for this workgroup is a seat reserved for a CAI member. The workgroup would have to submit a final report by February 28, 2025, and the statutory authority expires March 1, 2025.

The LAC monitored SF 5447/HF 5032 as it was being discussed in committee.

**Status: PASSED, awaiting Governor's signature.**

#### **SF 4499/HF 4425 Home day care restrictions prohibited**

Prohibits homeowners associations from prohibiting the use of a home for a licensed childcare center. As introduced, does not contain provisions for reasonable rules and regulations, or insurance.

The LAC worked to amend this bill to allow for associations to impose reasonable rules and regulations, and to specify insurance requirements. The final bill is limited to single-family detached dwellings, or multi-family attached dwellings, where a single owner has sole responsibility for maintenance, repair, and replacement, and insurance of the building.

The amended bill language was eventually folded into **HF 5216 Judiciary, public safety, and corrections supplemental budget bill**.

**Status: Successfully PASSED with requested restrictions as part of HF 5216. Effective July 1, 2024.**

#### **SF 4053/HF 3800 – Providing for the organization and operation of co-ops**

Creates a new chapter of law solely for housing cooperatives. This will go into effect on August 1, 2025.

The LAC monitored this bill.

**Status: PASSED, effective August 1, 2025.**

#### **SF 4138/HF 4034 – Department of Commerce Consumer Protection Bill**

Clarifies which insurance provider must provide coverage of a loss assessment issued by a CIC. Seeks to clarify which insurance policy will cover a loss assessment stemming from property damage.

The LAC worked with the Dept. of Commerce and the Minnesota Insurance Federation to limit the changes originally sought by the Dept. of Commerce.

This amended bill language was folded into **SF 4097 Omnibus Commerce policy bill** and passed as part of that legislative package.

**Status: PASSED in limited form via SF 4097, effective August 1, 2024.**

#### **SF 4244/HF 4072 Common interest community ombudsperson creation and appropriation**

Creates a common interest community ombudsman. The ombudsman would act on behalf of unit owners and would provide dispute resolution services, which would not include legal opinions, formal determinations, and orders.

The LAC **opposed** this bill.

**Status: Successfully DIED in Committee.**

**SF 5195/HF 5249 Homeowners' associations prohibition from limiting the right to display any flag**

Modifies Minnesota's existing flag protection to include any flag, not just the state flag or the US flag. Maintains the right of community associations to impose reasonable rules and regulations, and adds a provision that an association may introduce limitations to prevent the incitement of violence or unlawful activity.

The LAC monitored this bill.

**Status: DIED in Committee.**

**SF 5071/HF 5348 Homeowner's association database created**

Would create a searchable database to be maintained by the Department of Commerce containing the names, bylaws, parcels, revenue and expenses of common interest communities in the state, as well as contact information for the board members.

The LAC **opposed** this bill.

**Status: Successfully DIED in Committee.**

**SF 5064/HF 5347 Common interest communities charging fees for estoppel letters or certificates prohibition**

Prohibits associations and managers from charging for estoppel certificates, and voids any such fees or charges.

The LAC **opposed** this bill.

**Status: Successfully DIED in Committee.**

**SF 3715 Certain practices prohibition relating to the management of certain properties**

Prohibits management companies and managers from hiring a construction firm, salvage firm, or appraisal firm which they have a direct or indirect financial interest in. Prohibits managers and management companies from requesting money or anything of value from a construction firm, salvage firm, or appraisal firm, and sets penalties of actual damages plus attorney's fees.

The LAC monitored this bill.

**Status: DIED in Committee.**

**HF 3502 Home-based businesses permitted in residential dwellings**

Allows for the establishment of home-based businesses, and contains language stating the bill does not supersede deed restrictions or covenants.

The LAC monitored this bill.

**Status: DIED in Committee.**

**SF 5458 / HF 4723 Governing the right for unit owners to speak at board meetings/prohibit proxy votes**

Prohibits board members from casting a vote, on any matter, by proxy. In addition it would grant homeowners the right to speak during all meetings, and prior to any action being taken by a board.

The LAC monitored this bill.

**Status: DIED in Committee.**

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**CAI MN LAC and Chapter Contact Information:**

[CAI Minnesota Legislative Action Committee](#) - (888) 224-4321

[CAI Minnesota Chapter](#) - (612) 504-0567