NEW CONCEPTS MANAGEMENT

Legislation Changes Impacting Association Operations Meeting Summary

Quick Recap

Gene provided an overview of **Senate File 1750**, new Minnesota legislation affecting homeowner associations **effective January 1, 2027**, covering changes to board meetings, enforcement, collections, and maintenance requirements. The presentation concluded with a Q&A on implementation and compliance.

Summary

Minnesota HOA Law Update

Gene presented on Senate File 1750, a new Minnesota state law affecting HOAs that will take effect January 1, 2027. The law requires boards to provide reasonable notice of meetings, make meeting agendas and documents available to homeowners, and allow members to comment on all agenda items before board votes. Gene emphasized that while homeowners can comment on agenda items, the discussions should be limited and not turn into extended debates or attempts to control the meeting. The presentation also covered how boards can handle confidential information like collection issues, suggesting time-limited homeowner forums as one approach to balance transparency with privacy concerns.

Homeowner Association Enforcement Requirements

Gene discussed new enforcement requirements for homeowner associations, including the need to provide **at least 21 days** notice before adopting, amending, or revoking rules and regulations. He explained that homeowners have the right to request a hearing within 30 days regarding rule violations, can be represented by an attorney, and fines cannot be imposed until after the hearing process. Gene also mentioned that grievances must now be referred to the Common Interest Community Ombudsperson if not resolved, and emphasized that associations cannot retaliate against owners exercising their rights under the new law.

HOA Violation Rules and Fines

Gene discussed how homeowner association boards can develop rules to address violations and impose fines, including the ability to cure infractions and charge back costs to unit owners. He explained that while there is a $100 cap on single violations, additional fines can be imposed for subsequent violations of the same conduct, and the total amount, including late fees and charges for ongoing violations, is capped at $2,500. Gene also noted that if boards cannot resolve member grievances, they must refer the matter to the ombudsperson, but expressed concern about the consequences of an empty ombudsperson office.

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HOA Regulations Update 2027

Gene explained new regulations effective January 1, 2027, regarding late fees, collections, and maintenance protocols for homeowner associations. Key changes include capping late fees at $20 or 5% of the amount owed, requiring associations to accept partial payments (except during foreclosure), and new requirements for handling conflicts of interest in maintenance bidding. Gene noted that projects over $50,000 now require three bids, though exceptions exist, and emphasized that associations will need to update their rules and procedures to comply with these new requirements.

Board Bidding Process Requirements

Gene explained the requirements for board bidding processes, emphasizing that while boards must keep detailed records of selection processes for up to six years, they are not obligated to select the lowest bid. He discussed how conflicts of interest can be managed through disclosure and recusal, providing an example of a board member who properly disclosed a family relationship with a contractor. Gene outlined exceptions to the three-bid requirement for contracts over $50,000, including situations where multiple bids cannot be reasonably obtained and emergency repairs, while clarifying that insurance claims follow a similar process to health insurance where only one provider is typically used.

Homeowner Association Legislation Updates

Gene discussed new requirements for homeowner associations under legislation 515B, explaining that associations must obtain three bids over $50,000 (except for emergencies) and maintain records for future access. He outlined the three P's for homeowners: be patient, be present at meetings, and be polite. Gene emphasized that associations must implement more formal protocols and procedures, with additional costs and time requirements, and noted that the definition of "reasonable time" for document availability remains unclear and will likely need further legislative clarification.

Board Meeting Confidentiality Requirements

Gene discussed the confidentiality requirements for board meetings, explaining that while homeowners cannot speak about topics not on the agenda, boards can still hold private sessions to discuss sensitive matters like lawsuits and financial situations. He clarified that boards can have separate meetings with vendors before contracts are signed and can allow homeowners to speak during a controlled Homeowners Forum format. Gene also addressed questions about foreclosure actions and HOA size limitations, noting that current foreclosure processes would not be affected by the new requirements and that smaller HOAs would not be exempted from the changes.

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HOA Rule Change Requirements

Gene discussed the requirements for HOA rule changes, emphasizing the need to follow state statute guidelines by properly advertising agenda items and allowing time for feedback from homeowners. He explained that while emergency situations allow for immediate action, non-emergency rule changes must provide adequate notice and opportunity for homeowner input. Gene also clarified that HOA size is not a factor in these requirements and confirmed that homeowners can bring attorneys to meetings, though the attorneys cannot act as litigators.

Homeowner Fine Legislation Updates

Gene discussed new legislation affecting homeowner fines and hearing processes, explaining that fines are limited to $25 per issue or 5% of the property value whichever is lower. He clarified that hearings can proceed even if homeowners bring attorneys, as the purpose is communication rather than legal representation. Gene identified a gap in the legislation regarding consecutive fines for the same offense and recommended updating rules to allow for "cure" periods without additional notices, suggesting associations could bill actual costs to homeowners instead of issuing new fines. The conversation ended with Gene promising to provide a complete copy of the legislation and a detailed summary with specific examples.

HOA Policy Changes Updates

Gene discussed upcoming changes to HOA policies and procedures required by January 1, explaining that while violations within 30 days require hearings, associations can proceed without hearings after that timeframe. He addressed questions about fine limits, clarifying that assessment fees are capped at $20 or 5% of the operating assessment amount, while fines for rule violations are capped at $100 unless involving harm to human life. Gene announced that his team will provide comprehensive policy documents and compliance templates within 2-3 weeks at a nominal fee to help associations meet the new requirements.

Disclaimer: These meeting summary notes were generated using Zoom AI Companion based on the Zoom meeting held on July 8, 2026. While every effort has been made to ensure accuracy, attendees should refer to the meeting recording for official details and context.