NEW CONCEPTS MANAGEMENT

SF1750 BOARD MEMBER COMPLIANCE GUIDE

Minnesota Common Interest Community Law Changes
Board Education & Compliance Packet
Effective January 1, 2027

1. Determine Whether the Law Applies

Background: SF1750 primarily modifies provisions within the Minnesota Common Interest Ownership Act (MCIOA). Because of this, the first step for every Board is determining whether the Association is subject to MCIOA and which portions of the law apply. Generally, communities created on or after June 1, 1994 are governed by MCIOA, while certain older and detached single-family communities may be exempt from portions of the law.

What the New Law Requires:

- Boards must understand whether their association is governed by MCIOA.
- Verify which SF1750 provisions apply before adopting compliance policies.
- Review resale disclosure procedures even if the association may be exempt.

Real-World Example: A townhome association created in 2005 is generally subject to MCIOA. A detached single-family association created in 1988 may be exempt from many provisions but still must review updated resale disclosure requirements.

Board Action Required:

- ☐ Review governing documents
- ☐ Confirm MCIOA applicability
- ☐ Consult legal counsel if needed
- ☐ Review resale disclosure procedures

2. Rules and Regulations

Background: SF1750 increases transparency by requiring owner participation before most rule changes become effective. The law also expressly states that association rules must be reasonable.

What the New Law Requires:

- Rules and regulations must be reasonable.
- Owners must receive at least 21 days notice before most rule changes.
- Owners must have an opportunity to review and comment on proposed changes.
- Boards should retain documentation of the notice and comment process.

Real-World Example: A board wants to prohibit basketball hoops. Instead of approving the rule immediately, the proposal must be circulated to owners, comments collected, and the board can vote only after the review period expires.

Board Action Required:

- ☐ Review existing rules
- ☐ Identify outdated rules
- ☐ Develop owner review procedures
- ☐ Create a rule adoption timeline

3. Fines and Enforcement

Background: The law emphasizes due process and consistency when enforcing governing documents. Boards must focus not only on the violation itself, but also on following the proper enforcement procedures.

What the New Law Requires:

- Most first-time fines may not exceed $100.
- Maintain and distribute a written fine schedule.
- Provide written notice identifying the violation.
- Provide hearing rights before fines are imposed.
- Issue written decisions following hearings.

Real-World Example: Before fining an owner for a garbage can violation, the association should provide written notice, explain hearing rights, and complete the hearing process before imposing the fine.

Board Action Required:

- ☐ Develop or revise fine schedule
- ☐ Review violation notices
- ☐ Establish hearing procedures
- ☐ Train directors on due process requirements

4. Collections and Financial Compliance

Background: SF1750 creates a more structured collection process with mandatory notices, collection policies, payment application standards, and limits on fees and interest.

What the New Law Requires:

- Adopt a written collection policy.
- Send three collection notices before referral to collections or legal counsel.
- Send at least one notice by certified mail.
- Apply payments to assessments before fines in most cases.
- Observe statutory limits on late fees and interest.

Real-World Example: A delinquent owner should generally receive three collection notices, including one certified mailing, before the account is referred to legal counsel.

Board Action Required:

- ☐ Adopt a written collection policy
- ☐ Update collection notices
- ☐ Review management procedures
- ☐ Review foreclosure timelines

5. Governance and Owner Rights

Background: The legislation expands owner access to information and participation in association governance while preserving board authority to conduct association business.

What the New Law Requires:

- Provide meeting notices and agendas.
- Make applicable meeting materials available.
- Allow owners to comment before action on agenda items.
- Provide a grievance process for owners.

Real-World Example: Before voting on a landscaping contract, owners must be given an opportunity to comment on the agenda item under reasonable board procedures.

Board Action Required:

- ☐ Update meeting procedures
- ☐ Develop owner comment procedures
- ☐ Establish grievance procedures
- ☐ Train directors on new owner rights

6. Parking and Architectural Controls

Background: The law limits certain parking restrictions and creates clearer expectations for architectural review procedures and timelines.

What the New Law Requires:

- Associations generally cannot regulate parking on government-maintained public streets beyond applicable laws.
- Owners generally must be allowed to park personal vehicles in driveways and designated parking areas.
- Maintain written architectural review procedures.
- Provide written decisions within required timelines.

Real-World Example: A rule prohibiting pickup trucks from owner driveways may need review because owners generally have protected parking rights for personal vehicles.

Board Action Required:

- ☐ Review parking regulations
- ☐ Review architectural guidelines
- ☐ Establish written review procedures
- ☐ Verify response timelines

7. Contracts and Conflicts of Interest

Background: SF1750 establishes more formal bidding and conflict-of-interest requirements to increase transparency in vendor selection and contracting.

What the New Law Requires:

- Most contracts over $50,000 require three written bids.
- Document bid disclosures and selection criteria.
- Maintain records of the bid process.
- Directors with material financial interests should not participate in related decisions.

Real-World Example: For a $150,000 roofing project, the board should generally obtain three written bids, evaluate vendors using reasonable criteria, and document the selection process.

Board Action Required:

- ☐ Adopt conflict-of-interest standards
- ☐ Review bidding procedures
- ☐ Implement bid documentation
- ☐ Establish record retention procedures

8. Other Important Changes

Background: Additional changes address owner privacy, anti-retaliation protections, resale disclosures, and annual registration requirements.

What the New Law Requires:

- Protect Safe at Home participant information.
- Do not retaliate against owners exercising statutory rights.
- Update resale disclosure packages.
- Complete annual Department of Commerce registration requirements.

Real-World Example: If an owner participates in the Safe at Home program, the association must protect confidential address information and follow approved communication procedures.

Board Action Required:

- ☐ Review disclosure forms
- ☐ Review privacy procedures
- ☐ Prepare for annual registration