

I am a homeowner in support of HF1931.

This bill will help clarify the role of the attorney general in issues regarding homeowners and HOAs/CICs, which will in turn offer a resource to homeowners that isn't currently available. Currently, the office is available to others, but not to HOA homeowners.

The Minnesota Attorney General's Office generally cannot intervene in disputes between homeowners and their Homeowners Associations (HOAs) because these are considered "private contracts" under the Minnesota Common Interest Ownership Act (MCIOA).

This is one area that needs clarification. The "private contract" is between the municipality and the builder. The purpose of the association is to enforce the CCRs, which makes it essentially function as an agent of the municipality, but this is a different relationship and not a direct contract with the homeowner.

Private Contract Nature:

HOA disputes are typically governed by the association's governing documents (like the declaration, bylaws, and articles of incorporation) and the MCIOA, which is a state law that governs common interest communities.

CCR's are a contract between the municipality and the developer.

Bylaws do not meet the statutory definition of what constitutes a contract.

The articles of incorporation is a contract between (typically) the developer and the state. It is not a contract between the HOA and the homeowner.

Limited Attorney General Authority:

The Attorney General's Office has a limited role in these disputes and generally cannot act as a mediator or enforce the terms of the HOA's governing documents.

The office CAN do mediation, but they don't. The reason for this is that the HOA can hire an attorney and then assess the homeowner for the cost of the attorney.

Focus on Consumer Protection:

The Attorney General's Office focuses on broader consumer protection issues and *may* intervene in cases of fraud, deceptive practices, or other illegal activities by HOAs, but not typically in disputes over fees, rules, or other contractual matters.

Currently, they don't intervene or investigate fraud or deceptive practices with HOAs or management companies.

The MCIOA establishes a claim for relief for those who are adversely affected when a declarant, association, or any other person violates the MCIOA or the association's governing documents (Minn. Stat. § 515B.4-116). This claim is in addition to ***any other rights, remedies, or claims owners may have under other statutes or common law***. The statute under which the association was formed or incorporated may provide additional relief.

When a homeowner files a complaint, this office could refer to another agency, but they currently don't.

Having this resource available to homeowners is an important and necessary part of moving things forward for HOA homeowners.

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