

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3622

(SENATE AUTHORS: KREUN)

DATE	D-PG	OFFICIAL STATUS
02/17/2026	6321	Introduction and first reading Referred to Judiciary and Public Safety
03/18/2026	6766a 6807	Comm report: To pass as amended Second reading
04/14/2026	8035a	Special Order: Amended
04/27/2026	8036 9105	Third reading Passed as amended Returned from House
		Presentment date 04/28/26
	9326	Governor's action Approval 04/29/26
	9327	Secretary of State Chapter 61 04/29/26
		Effective date various dates

1.1 A bill for an act

1.2 relating to real property; making clarifying, technical, and conforming changes to

1.3 the Minnesota Common Interest Ownership Act; providing for certain exemptions;

1.4 providing for number of directors for certain associations; clarifying certain

1.5 insurance policies; amending Minnesota Statutes 2024, sections 515B.1-102;

1.6 515B.1-103; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105;

1.7 515B.2-108; 515B.2-110; 515B.2-1101; 515B.2-113; 515B.2-118; 515B.2-119;

1.8 515B.2-121; 515B.2-124; 515B.2-125; 515B.3-102; 515B.3-1041; 515B.3-105;

1.9 515B.3-1051; 515B.3-106; 515B.3-107; 515B.3-112; 515B.3-113; 515B.3-1141;

1.10 515B.3-1151; 515B.3-116; 515B.4-101; 515B.4-102; 515B.4-1021; 515B.4-103;

1.11 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-113; 515B.4-116;

1.12 515B.4-118; Minnesota Statutes 2025 Supplement, section 515B.3-103; Laws

1.13 2024, chapter 96, article 1, section 91, as amended; article 2, section 13, as

1.14 amended.

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 Section 1. Minnesota Statutes 2024, section 515B.1-102, is amended to read:

1.17 **515B.1-102 APPLICABILITY.**

1.18 (a) Except as provided in this section, this chapter, and not chapters 515 and 515A,

1.19 applies to all common interest communities created within this state on and after June 1,

1.20 1994.

1.21 (b) The applicability of this chapter to common interest communities created prior to

1.22 June 1, 1994, shall be as follows:

1.23 (1) This chapter shall apply to condominiums created under chapter 515A with respect

1.24 to events and circumstances occurring on and after June 1, 1994; provided (i) that this

1.25 chapter shall not invalidate the declarations, bylaws or condominium plats of those

1.26 condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and

2.1 obligations of a declarant of a condominium created under chapter 515A, and the rights and
 2.2 claims of unit owners against that declarant.

2.3 (2) The following sections in this chapter apply to condominiums created under chapter
 2.4 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation);
 2.5 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain);
 2.6 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against
 2.7 Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113
 2.8 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered);
 2.9 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of
 2.10 Declaration and Bylaws); 515B.2-104 (Description of Units); ~~515B.2-108(d)~~ 515B.2-108(d)
 2.11 (Allocation of Interests); ~~515B.2-109(f)~~ 515B.2-109(f) (Common Elements and Limited
 2.12 Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units);
 2.13 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining
 2.14 Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of
 2.15 Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102
 2.16 (Powers of Unit Owners' Association); ~~515B.3-103(a)~~ 515B.3-103(a), (b), and (g) (Board
 2.17 of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest
 2.18 Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies);
 2.19 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of
 2.20 Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Reserves;
 2.21 Surplus Funds); 515B.3-1141 (Replacement Reserves); ~~515B.3-115(e)~~ 515B.3-115(c), (e),
 2.22 (f), (g), (h), and (i) (Assessments for Common Expenses); 515B.3-116 (Lien for
 2.23 Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119
 2.24 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units);
 2.25 515B.4-108 (Purchaser's Right to Cancel Resale); and 515B.4-116 (Rights of Action;
 2.26 Attorney's Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in
 2.27 construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106,
 2.28 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110,
 2.29 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107,
 2.30 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring
 2.31 on and after June 1, 1994. All other sections referenced in this section apply only with
 2.32 respect to events and circumstances occurring after July 31, 1999. A section referenced in
 2.33 this section does not invalidate the declarations, bylaws or condominium plats of
 2.34 condominiums created before August 1, 1999. But all sections referenced in this section
 2.35 prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of

3.1 condominiums created before August 1, 1999, except to the extent that this chapter defers
3.2 to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

3.3 (3) This chapter shall not apply to cooperatives and planned communities created prior
3.4 to June 1, 1994, or to planned communities that were created on or after June 1, 1994, and
3.5 before August 1, 2006, and that consist of more than two but fewer than 13 units; except
3.6 by election pursuant to subsection (d), and except that sections ~~515B.1-116~~, ~~subsections (a)~~
3.7 515B.1-116(a), (c), (d), and (e), 515B.4-107, and 515B.4-108, apply to all planned
3.8 communities and cooperatives regardless of when they are created, unless they are exempt
3.9 under subsection (e).

3.10 (c) This chapter shall not invalidate any amendment to the declaration, bylaws or
3.11 condominium plat of any condominium created under chapter 515 or 515A if the amendment
3.12 was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall
3.13 be adopted in conformity with the procedures and requirements specified by those instruments
3.14 and by this chapter. If the amendment grants to any person any rights, powers or privileges
3.15 permitted by this chapter, all correlative obligations, liabilities and restrictions contained
3.16 in this chapter shall also apply to that person.

3.17 (d) Any condominium created under chapter 515, any planned community or cooperative
3.18 which would be exempt from this chapter under subsection (e), or any planned community
3.19 or cooperative created prior to June 1, 1994, or any planned community that was created
3.20 on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two
3.21 but fewer than 13 units, may elect to be subject to this chapter, as follows:

3.22 (1) The election shall be accomplished by recording a declaration or amended declaration,
3.23 and a new or amended CIC plat where required, and by approving bylaws or amended
3.24 bylaws, which conform to the requirements of this chapter, and which, in the case of
3.25 amendments, are adopted in conformity with the procedures and requirements specified by
3.26 the existing declaration and bylaws of the common interest community, and by any applicable
3.27 statutes.

3.28 (2) In a condominium, the preexisting condominium plat shall be the CIC plat and an
3.29 amended CIC plat shall be required only if the amended declaration or bylaws contain
3.30 provisions inconsistent with the preexisting condominium plat. The condominium's CIC
3.31 number shall be the apartment ownership number or condominium number originally
3.32 assigned to it by the recording officer. In a cooperative in which the unit owners' interests
3.33 are characterized as real estate, a CIC plat shall be required. In a planned community, the
3.34 preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A,

4.1 or the part of the plat or registered land survey upon which the common interest community
4.2 is located, shall be the CIC plat.

4.3 (3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the
4.4 unanimous consent of the unit owners shall not be required for (i) a clarification of the unit
4.5 boundary description if the clarified boundary description is substantially consistent with
4.6 the preexisting CIC plat, or (ii) changes from common elements to limited common elements
4.7 that occur by operation of section 515B.2-109(c) and (d).

4.8 (4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association,
4.9 master association nor unit owner may acquire, increase, waive, reduce or revoke any
4.10 previously existing warranty rights or causes of action that one of said persons has against
4.11 any other of said persons by reason of exercising the right of election under this subsection.

4.12 (5) A common interest community which elects to be subject to this chapter may, as a
4.13 part of the election process, change its form of ownership by complying with section
4.14 515B.2-123.

4.15 (e) Except as otherwise provided in this subsection, this chapter shall not apply, except
4.16 by election pursuant to subsection (d), to the following:

4.17 (1) a planned community which consists of two units, which utilizes a CIC plat complying
4.18 with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not
4.19 subject to any rights to subdivide or convert units or to add additional real estate, and which
4.20 is not subject to a master association;

4.21 (2) a common interest community that consists solely of platted lots or other separate
4.22 parcels of real estate designed or utilized for detached single family dwellings or agricultural
4.23 purposes, with or without common property, where no association or master association
4.24 has an obligation to maintain any building containing a dwelling or any agricultural building
4.25 located or to be located on such platted lots or parcels; except that section 515B.4-101(e)
4.26 shall apply to the sale of such platted lots or parcels of real estate if the common interest
4.27 community is or will be subject to a master declaration;

4.28 (3) a cooperative where, at the time of creation of the cooperative, the unit owners'
4.29 interests in the dwellings as described in the declaration consist solely of proprietary leases
4.30 having an unexpired term of fewer than 20 years, including renewal options;

4.31 (4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1)
4.32 and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the
4.33 declaration to nonresidential uses; ~~or~~

5.1 (5) real estate subject only to an instrument or instruments filed primarily for the purpose
5.2 of creating or modifying rights with respect to access, utilities, parking, ditches, drainage,
5.3 or irrigation; or

5.4 (6) if all of the real estate is restricted to nonresidential uses, real estate subject only to
5.5 an instrument or instruments filed primarily for the purpose of creating or modifying rights
5.6 with respect to access, utilities, parking, ditches, drainage, irrigation, insurance, or repair
5.7 or replacement following a casualty loss.

5.8 (f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is
5.9 subject to a master declaration and is not subject to or is exempt from this chapter.

5.10 (g) ~~Section~~ Sections 515B.1-106 and section ~~515B.2-118, subsections (a)(5)~~
5.11 515B.2-118(a)(5), (a)(7), and (d), shall apply to all common interest communities.

5.12 (h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and
5.13 515B.4-115 apply only to common interest communities created before August 1, 2010.
5.14 Sections ~~515B.1-103(33b)~~ 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151,
5.15 515B.4-1021, and 515B.4-1151 apply only to common interest communities created on or
5.16 after August 1, 2010.

5.17 (i) Section 515B.3-114 applies to common interest communities only for the association's
5.18 fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common
5.19 interest communities only for the association's fiscal years commencing on or after January
5.20 1, 2012.

5.21 (j) Section 515B.3-104 applies only to transfers of special declarant rights that are
5.22 effective before August 1, 2010. Section ~~515B.3-1041, subsections (a) through~~
5.23 515B.3-1041(a) to (i), apply only to transfers of special declarant rights that are effective
5.24 on or after August 1, 2010. Section ~~515B.3-1041, subsections (j)~~ 515B.3-1041(j) and (k),
5.25 apply only to special declarant rights reserved in a declaration that is first recorded on or
5.26 after August 1, 2010.

5.27 (k) Sections 515B.1-103(11a) and (16a), 515B.3-102(d) and (e), 515B.4-113(h), and
5.28 515B.4-116(c) apply only to common interest communities created on or after August 1,
5.29 2017.

6.1 Sec. 2. Minnesota Statutes 2024, section 515B.1-103, is amended to read:

6.2 **515B.1-103 DEFINITIONS.**

6.3 In the declaration and bylaws, unless specifically provided otherwise or the context
6.4 otherwise requires, and in this chapter:

6.5 (1) "Additional real estate" means real estate that may be added to a flexible common
6.6 interest community.

6.7 (2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under
6.8 common control with a declarant.

6.9 (A) A person "controls" a declarant if the person (i) is a general partner, officer, director,
6.10 or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more
6.11 other persons, or through one or more subsidiaries, owns, controls, holds with power to
6.12 vote, or holds proxies representing, more than 20 percent of the voting interest in the
6.13 declarant, (iii) controls in any manner the election of a majority of the directors of the
6.14 declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

6.15 (B) A person "is controlled by" a declarant if the declarant (i) is a general partner, officer,
6.16 director, or employer of the person, (ii) directly or indirectly or acting in concert with one
6.17 or more other persons, or through one or more subsidiaries, owns, controls, holds with
6.18 power to vote, or holds proxies representing, more than 20 percent of the voting interest in
6.19 the person, (iii) controls in any manner the election of a majority of the directors of the
6.20 person, or (iv) has contributed more than 20 percent of the capital of the person.

6.21 (C) Control does not exist if the powers described in this subsection are held solely as
6.22 a security interest and have not been exercised.

6.23 (3) "Allocated interests" means the following interests allocated to each unit: (i) in a
6.24 condominium, the undivided interest in the common elements, the common expense liability,
6.25 and votes in the association; (ii) in a cooperative, the common expense liability and the
6.26 ownership interest and votes in the association; and (iii) in a planned community, the common
6.27 expense liability and votes in the association.

6.28 (4) "Association" means the unit owners' association organized under section 515B.3-101.

6.29 (5) "Board" means the body, regardless of name, designated in the articles of
6.30 incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a
6.31 master association when so identified.

7.1 (6) "CIC plat" means a common interest community plat described in section 515B.2-110
7.2 or 515B.2-1101.

7.3 (7) "Common elements" means all portions of the common interest community other
7.4 than the units.

7.5 (8) "Common expenses" means expenditures made or liabilities incurred by or on behalf
7.6 of the association, or master association when so identified, together with any allocations
7.7 to reserves.

7.8 (9) "Common expense liability" means the liability for common expenses allocated to
7.9 each unit pursuant to section 515B.2-108.

7.10 (10) "Common interest community" or "CIC" means contiguous or noncontiguous real
7.11 estate within Minnesota that is subject to an instrument which obligates persons owning a
7.12 separately described parcel of the real estate, or occupying a part of the real estate pursuant
7.13 to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate
7.14 taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of;
7.15 or (iv) construction, maintenance, repair or replacement of improvements located on, one
7.16 or more parcels or parts of the real estate other than the parcel or part that the person owns
7.17 or occupies. Real estate which satisfies the definition of a common interest community is
7.18 a common interest community whether or not it is subject to this chapter. Real estate subject
7.19 to a master declaration, regardless of when the master declaration was recorded, shall not
7.20 collectively constitute a separate common interest community unless so stated in the master
7.21 declaration.

7.22 (11) "Condominium" means a common interest community in which (i) portions of the
7.23 real estate are designated as units, (ii) the remainder of the real estate is designated for
7.24 common ownership solely by the owners of the units, and (iii) undivided interests in the
7.25 common elements are vested in the unit owners.

7.26 (11a) "Construction defect claim" means a civil action or an arbitration proceeding based
7.27 on any legal theory including, but not limited to, claims under chapter 327A for damages,
7.28 indemnity, or contribution brought against a development party to assert a claim,
7.29 counterclaim, cross-claim, or third-party claim for damages or loss to, or the loss of use of,
7.30 real or personal property caused by a defect in the initial design or construction of an
7.31 improvement to real property that is part of a common interest community, including an
7.32 improvement that is constructed on additional real estate pursuant to section 515B.2-111.
7.33 "Construction defect claim" does not include claims related to subsequent maintenance,
7.34 repairs, alterations, or modifications to, or the addition of, improvements that are part of

8.1 the common interest community, and that are contracted for by the association or a unit
8.2 owner.

8.3 (12) "Conversion property" means real estate on which is located a building that at any
8.4 time within two years before creation of the common interest community was occupied, in
8.5 whole or in part, for (i) residential use or (ii) for residential rental purposes by persons other
8.6 than purchasers and persons who occupy with the consent of purchasers.

8.7 (13) "Cooperative" means a common interest community in which the real estate is
8.8 owned by an association, each of whose members is entitled to a proprietary lease by virtue
8.9 of the member's ownership interest in the association.

8.10 (14) "Dealer" means a person in the business of selling units for the person's own account.

8.11 (15) "Declarant" means:

8.12 (i) if the common interest community has been created, (A) any person who has executed
8.13 a declaration, or a supplemental declaration or amendment to a declaration adding additional
8.14 real estate, except secured parties, a spouse holding only an inchoate interest, persons whose
8.15 interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold
8.16 common interest community, a lessor who possesses no special declarant rights and who
8.17 is not an affiliate of a declarant who possesses special declarant rights, or (B) any person
8.18 who reserves, or succeeds under section 515B.3-104 or 515B.3-1041 to any special declarant
8.19 rights;

8.20 (ii) any person or persons acting in concert who have offered prior to creation of the
8.21 common interest community to transfer their interest in a unit to be created and not previously
8.22 transferred; or

8.23 (iii) if (A) a unit has been restricted to nonresidential use and sold to a purchaser who
8.24 has agreed to modify or waive, in whole or in part, sections 515B.4-101 to 515B.4-118, and
8.25 (B) the restriction expires or is modified or terminated such that residential use of the unit
8.26 is permitted, the unit owner at the time the restriction expires or is so modified or terminated
8.27 is a declarant with respect to that unit and any improvements subject to use rights by a
8.28 purchaser of the unit.

8.29 (16) "Declaration" means any instrument, however denominated, that creates a common
8.30 interest community.

8.31 (16a) "Development party" means an architect, contractor, construction manager,
8.32 subcontractor, developer, declarant, engineer, or private inspector performing or furnishing
8.33 the design, supervision, inspection, construction, coordination, or observation of the

9.1 construction of any improvement to real property that is part of a common interest
9.2 community, or any of the person's affiliates, officers, directors, shareholders, members, or
9.3 employees.

9.4 (17) "Dispose" or "disposition" means a voluntary transfer to a purchaser of any legal
9.5 or equitable interest in the common interest community, but the term does not include the
9.6 transfer or release of a security interest.

9.7 (17a) "First mortgage" means either (i) if there is only one mortgage encumbering title
9.8 to a unit, that mortgage, or (ii) if there are multiple mortgages encumbering title to a unit,
9.9 the mortgage that is first in priority, whether by operation of applicable law or by a properly
9.10 recorded agreement.

9.11 (17b) "First mortgagee" means the holder of a first mortgage.

9.12 (18) "Flexible common interest community" means a common interest community to
9.13 which additional real estate may be added.

9.14 (19) "Leasehold common interest community" means a common interest community in
9.15 which all or a portion of the real estate is subject to a lease the expiration or termination of
9.16 which will terminate the common interest community or reduce its size.

9.17 (20) "Limited common element" means a portion of the common elements allocated by
9.18 the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one
9.19 or more but fewer than all of the units.

9.20 (21) "Master association" means an entity created on or after June 1, 1994, that directly
9.21 or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one
9.22 or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also
9.23 exercises those powers on behalf of one or more property owners' associations described
9.24 in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance,
9.25 repair, accounting, bookkeeping or management services, or (ii) granted authority under an
9.26 instrument recorded primarily for the purpose of creating rights or obligations with respect
9.27 to utilities, access, drainage, or recreational amenities, is not, solely by reason of that
9.28 relationship, a master association.

9.29 (22) "Master declaration" means a written instrument, however named, (i) recorded on
9.30 or after June 1, 1994, and (ii) complying with section ~~515B.2-121, subsection (e)~~
9.31 515B.2-121(e).

9.32 (23) "Master developer" means a person who is designated in the master declaration as
9.33 a master developer or, in the absence of such a designation, the owner or owners of the real

10.1 estate subject to the master declaration at the time the master declaration is recorded, except
10.2 (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer
10.3 is not a declarant unless the master declaration states that the real estate subject to the master
10.4 declaration collectively is or collectively will be a separate common interest community.

10.5 (24) "Period of declarant control" means the time period provided for in section
10.6 515B.3-103(c) during which the declarant may appoint and remove officers and directors
10.7 of the association.

10.8 (25) "Person" means an individual, corporation, limited liability company, partnership,
10.9 trustee under a trust, personal representative, guardian, conservator, government,
10.10 governmental subdivision or agency, or other legal or commercial entity capable of holding
10.11 title to real estate.

10.12 (26) "Planned community" means a common interest community that is not a
10.13 condominium or a cooperative. A condominium or cooperative may be a part of a planned
10.14 community.

10.15 (27) "Proprietary lease" means an agreement with a cooperative association whereby a
10.16 member of the association is entitled to exclusive possession of a unit in the cooperative.

10.17 (28) "Purchaser" means a person, other than a declarant, who by means of a voluntary
10.18 transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of
10.19 less than 20 years, including renewal options, or (ii) a security interest.

10.20 (29) "Real estate" means any fee simple, leasehold or other estate or interest in, over,
10.21 or under land, including structures, fixtures, and other improvements and interests that by
10.22 custom, usage, or law pass with a conveyance of land though not described in the contract
10.23 of sale or instrument of conveyance. "Real estate" may include spaces with or without upper
10.24 or lower boundaries, or spaces without physical boundaries.

10.25 (30) "Residential use" means use as a dwelling, whether primary, secondary or seasonal,
10.26 but not (i) transient use such as hotels or motels, (ii) use for residential rental purposes if
10.27 the individual dwellings are not separate units or if the individual dwellings are not located
10.28 on separate parcels of real estate. For purposes of this chapter, a unit is restricted to
10.29 nonresidential use if the unit is subject to a restriction that prohibits residential use as defined
10.30 in this section whether or not the restriction also prohibits the uses described in this paragraph.

10.31 (31) "Secured party" means the person owning a security interest as defined in paragraph
10.32 (32).

11.1 (32) "Security interest" means a perfected interest in real estate or personal property,
11.2 created by contract or conveyance, which secures payment or performance of an obligation.
11.3 The term includes a mortgagee's interest in a mortgage, a vendor's interest in a contract for
11.4 deed, a lessor's interest in a lease intended as security, a holder's interest in a sheriff's
11.5 certificate of sale during the period of redemption, an assignee's interest in an assignment
11.6 of leases or rents intended as security, in a cooperative, a lender's interest in a member's
11.7 ownership interest in the association, a pledgee's interest in the pledge of an ownership
11.8 interest, or any other interest intended as security for an obligation under a written agreement.

11.9 (33a) This definition of special declarant rights applies only to common interest
11.10 communities created before August 1, 2010. "Special declarant rights" means rights reserved
11.11 in the declaration for the benefit of a declarant to:

11.12 (i) complete improvements indicated on the CIC plat, planned by the declarant consistent
11.13 with the disclosure statement or authorized by the municipality in which the CIC is located;

11.14 (ii) add additional real estate to a common interest community;

11.15 (iii) subdivide or combine units, or convert units into common elements, limited common
11.16 elements, or units;

11.17 (iv) maintain sales offices, management offices, signs advertising the common interest
11.18 community, and models;

11.19 (v) use easements through the common elements for the purpose of making improvements
11.20 within the common interest community or any additional real estate;

11.21 (vi) create a master association and provide for the exercise of authority by the master
11.22 association over the common interest community or its unit owners;

11.23 (vii) merge or consolidate a common interest community with another common interest
11.24 community of the same form of ownership; or

11.25 (viii) appoint or remove any officer or director of the association, or the master association
11.26 where applicable, during any period of declarant control.

11.27 (33b) This definition of special declarant rights applies only to common interest
11.28 communities created on or after August 1, 2010. "Special declarant rights" means rights
11.29 reserved in the declaration for the benefit of a declarant and expressly identified in the
11.30 declaration as special declarant rights. Such special declarant rights may include but are not
11.31 limited to the following:

12.1 (i) to complete improvements indicated on the CIC plat, planned by the declarant
 12.2 consistent with the disclosure statement or authorized by the municipality in which the
 12.3 common interest community is located, and to have and use easements for itself and its
 12.4 employees, agents, and contractors through the common elements for such purposes;

12.5 (ii) to add additional real estate to a common interest community;

12.6 (iii) to subdivide or combine units, or convert units into common elements, limited
 12.7 common elements and/or units, pursuant to section 515B.2-112;

12.8 (iv) to maintain and use sales offices, management offices, signs advertising the common
 12.9 interest community, and models, and to have and use easements for itself and its employees,
 12.10 agents, and invitees through the common elements for such purposes;

12.11 (v) to appoint or remove any officer or director of the association during any period of
 12.12 declarant control;

12.13 (vi) to utilize an alternate common expense plan as provided in section ~~515B.3-115(a)(2)~~
 12.14 515B.3-1151(a)(2);

12.15 (vii) to grant common element licenses as provided in section 515B.2-109(e); or

12.16 (viii) to review, and approve or disapprove, the exterior design, materials, size, site
 12.17 location, and other exterior features of buildings and other structures, landscaping and other
 12.18 exterior improvements, located within the common interest community, and any
 12.19 modifications or alterations thereto.

12.20 Special declarant rights shall not be reserved or utilized for the purpose of evading any
 12.21 limitation or obligation imposed on declarants by this chapter.

12.22 (34) "Time share" means a right to occupy a unit or any of several units during three or
 12.23 more separate time periods over a period of at least three years, including renewal options,
 12.24 whether or not coupled with a fee title interest in the common interest community or a
 12.25 specified portion thereof.

12.26 (35) "Unit" means a portion of a common interest community the boundaries of which
 12.27 are described in the common interest community's declaration and which is intended for
 12.28 separate ownership, or separate occupancy pursuant to a proprietary lease.

12.29 (36) "Unit identifier" means one or more English letters ~~or~~, one or more Arabic numerals,
 12.30 or a combination thereof, which identify only one unit in a common interest community
 12.31 and which meet the requirements of section 515B.2-104.

13.1 (37) "Unit owner" means a declarant or other person who owns a unit, a lessee under a
 13.2 proprietary lease, or a lessee of a unit in a leasehold common interest community whose
 13.3 lease expires simultaneously with any lease the expiration or termination of which will
 13.4 remove the unit from the common interest community, but does not include a secured party.
 13.5 In a common interest community, the declarant is the unit owner of a unit until that unit has
 13.6 been conveyed to another person.

13.7 Sec. 3. Minnesota Statutes 2024, section 515B.1-116, is amended to read:

13.8 **515B.1-116 RECORDING.**

13.9 (a) A declaration, bylaws, a supplemental declaration, any amendment to a declaration,
 13.10 supplemental declaration, or bylaws, and any other instrument affecting a common interest
 13.11 community shall be entitled to be recorded. In those counties which have a tract index, the
 13.12 county recorder shall enter the declaration in the tract index for each unit or other tract
 13.13 affected. The county recorder shall not enter the declaration in the tract index for lands
 13.14 described as additional real estate, unless such lands are added to the common interest
 13.15 community pursuant to section 515B.2-111. The registrar of titles shall file the declaration
 13.16 in accordance with section 508.351 or 508A.351. The registrar of titles shall not file the
 13.17 declaration upon certificates of title for lands described as additional real estate, unless such
 13.18 lands are added to the common interest community pursuant to section 515B.2-111.

13.19 (b) The recording officer shall upon request promptly assign a number (CIC number)
 13.20 to a common interest community to be formed or to a common interest community resulting
 13.21 from the merger of two or more common interest communities.

13.22 (c) Documents recorded pursuant to this chapter shall in the case of registered land be
 13.23 filed, and references to the recording of documents shall mean filed in the case of registered
 13.24 land.

13.25 (d) Except as provided in section 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124,
 13.26 ~~if a recorded~~ this chapter, a declaration, or any other document relating to a common interest
 13.27 ~~community or a master association purports to require a certain vote or signatures approving~~
 13.28 ~~any restatement or amendment of the document by~~ requires that a certain number or
 13.29 percentage of unit owners, association members, parcel owners, master association members,
 13.30 or secured parties, and if the amendment or restatement is to be recorded, vote in favor of,
 13.31 approve, or consent to an amendment to a declaration or to any other recorded document
 13.32 relating to a common interest community, the vote, approval, or consent to the amendment
 13.33 or other recorded document, or the deemed consent pursuant to section 515B.2-118(a)(5)
 13.34 or (7), may be established either by: (i) having the requisite number or percentage of unit

14.1 owners, association members, parcel owners, master association members, or secured parties,
 14.2 as applicable, execute the amendment or other recorded document; or (ii) having the president
 14.3 or other authorized officer of the association or master association execute the amendment
 14.4 on behalf of the association and attaching to the amendment or other recorded document
 14.5 an affidavit of the president or secretary of the association or master association stating that
 14.6 the required ~~vote or signatures have been obtained shall be attached to the document to be~~
 14.7 ~~recorded and~~ number or percentage of unit owners, association members, parcel owners,
 14.8 master association members, or secured parties have voted in favor of, approved, or consented
 14.9 to, or, pursuant to section 515B.2-118(a)(5) or (7), are deemed to have consent to, the
 14.10 amendment or other recorded document. An affidavit pursuant to this paragraph shall
 14.11 constitute prima facie evidence of the ~~representations~~ statements contained therein.

14.12 (e) Except as permitted under this subsection, a recording officer shall not file or record
 14.13 a declaration creating a new common interest community, unless the county treasurer has
 14.14 certified that the property taxes payable in the current year for the real estate included in
 14.15 the proposed common interest community have been paid. This certification is in addition
 14.16 to the certification for delinquent taxes required by section 272.12. In the case of preexisting
 14.17 common interest communities, the recording officer shall accept, file, and record the
 14.18 following instruments, without requiring a certification as to the current or delinquent taxes
 14.19 on any of the units in the common interest community: (i) a declaration or amended
 14.20 declaration subjecting the common interest community to this chapter; (ii) a declaration
 14.21 changing the form of a common interest community pursuant to section 515B.2-123; or (iii)
 14.22 an amendment to or restatement of the declaration, bylaws, or CIC plat; provided, that if
 14.23 the declaration, amendment, or restatement changes the boundaries of an existing tax parcel,
 14.24 then the recording officer shall require a certification as to the payment of current and
 14.25 delinquent taxes on any tax parcel the boundaries of which are changed.

14.26 Sec. 4. Minnesota Statutes 2024, section 515B.2-101, is amended to read:

14.27 **515B.2-101 CREATION OF COMMON INTEREST COMMUNITIES.**

14.28 (a) On and after June 1, 1994, a common interest community subject to this chapter may
 14.29 be created only as follows:

14.30 (1) A condominium may be created only by recording a declaration.

14.31 (2) A cooperative may be created only by recording a declaration and by immediately
 14.32 thereafter recording a conveyance of the real estate subject to that declaration to the
 14.33 association.

15.1 (3) A planned community which includes common elements may be created only by
15.2 recording a declaration. The declarant shall, immediately thereafter, record a conveyance
15.3 of the common elements subject to that declaration, other than common elements described
15.4 in section 515B.2-109(c) and (d), to the association; provided, that a delay in or failure to
15.5 record the conveyance shall have no effect on the validity of the common interest community.

15.6 (4) A planned community without common elements may be created only by recording
15.7 a declaration.

15.8 (b) Except as otherwise provided in this chapter, the declaration shall be executed by
15.9 the owner of the real estate subject to the declaration at the time the declaration is recorded,
15.10 except vendors under contracts for deed, and by every lessor of a lease the expiration or
15.11 termination of which will terminate the common interest community. The declaration shall
15.12 be recorded in every county in which any portion of the common interest community is
15.13 located. Failure of any party not required to execute a declaration, but having a recorded
15.14 interest in the real estate subject to the declaration at the time the declaration is recorded,
15.15 to join in the declaration shall have no effect on the validity of the common interest
15.16 community; provided that the party is not bound by the declaration unless the party (i)
15.17 executes a recorded instrument that utilizes a legal description of part or all of the common
15.18 interest community complying with section 515B.2-104, or (ii) otherwise acknowledges
15.19 the existence of the common interest community in a recorded instrument.

15.20 (c) In a condominium, a planned community utilizing a CIC plat complying with section
15.21 515B.2-110(c) or 515B.2-1101(c), or a cooperative, where the unit boundaries are delineated
15.22 by a structure, a declaration, or an amendment to a declaration adding units, shall not be
15.23 recorded unless the structural components of the structures containing the units and the
15.24 mechanical systems serving more than one unit, but not the units, are substantially completed,
15.25 as evidenced by a recorded certificate executed by a registered engineer or architect.

15.26 (d) A project which (i) meets the definition of a "common interest community" in section
15.27 515B.1-103(10), (ii) is created after May 31, 1994, and (iii) is not exempt under section
15.28 515B.1-102(e), is subject to this chapter even if this or other sections of the chapter have
15.29 not been complied with, and the declarant and all unit owners are bound by all requirements
15.30 and obligations of this chapter.

15.31 (e) The association shall be incorporated pursuant to section 515B.3-101 and the CIC
15.32 plat shall be recorded as and if required by section 515B.2-110 or 515B.2-1101.

16.1 (f) A declarant must comply with section 508.351 or 508A.351, as applicable, before
16.2 recording a declaration against property title which is registered pursuant to chapter 508 or
16.3 508A.

16.4 (g) A condominium created on or after August 1, 2026, that utilizes a CIC plat that
16.5 complies with section 515B.2-1101(c) shall not include both registered land and unregistered
16.6 land, but shall consist only of land that is all registered under chapter 508 or 508A, or land
16.7 of which no part is so registered.

16.8 Sec. 5. Minnesota Statutes 2024, section 515B.2-102, is amended to read:

16.9 **515B.2-102 UNIT BOUNDARIES.**

16.10 (a) The declaration shall describe the boundaries of the units as provided in section
16.11 515B.2-105(5). The boundaries need not be delineated by a physical structure. The unit
16.12 may consist of noncontiguous portions of the common interest community.

16.13 (b) In a condominium, a cooperative, or a planned community utilizing a CIC plat
16.14 complying with section 515B.2-110(c) or 515B.2-1101(c):

16.15 (1) except as the declaration otherwise provides, if the walls, floors, or ceilings of a unit
16.16 are designated as its boundaries, then the boundaries shall be the interior, unfinished surfaces
16.17 of the perimeter walls, floors, ceilings, doors, windows, and door and window frames of
16.18 the unit, all paneling, tiles, wallpaper, paint, floor covering, and any other finishing materials
16.19 applied to the interior surfaces of the perimeter walls, floors or ceilings, are a part of the
16.20 unit, and all other portions of the perimeter walls, floors, ceilings, doors, windows, and door
16.21 and window frames, are a part of the common elements; and

16.22 (2) except in common interest communities created before August 1, 2010, and except
16.23 in common interest communities in which all units are restricted to nonresidential use, if
16.24 unit area or volume is used to allocate interests, the description of the unit boundaries for
16.25 similar types of units, such as residential units, garage units, or storage units, shall be the
16.26 same.

16.27 (c) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1)
16.28 and (2) or 515B.2-1101(d)(1) and (2), except as the declaration otherwise provides, the unit
16.29 boundaries shall be the lot lines designated on a plat recorded pursuant to chapter 505 or
16.30 the tract boundaries designated on a registered land survey recorded pursuant to chapter
16.31 508 or 508A.

16.32 (d) Except as provided in section 515B.2-109(c), all spaces, fixtures, and improvements
16.33 located wholly within the boundaries of a unit are a part of the unit.

17.1 Sec. 6. Minnesota Statutes 2024, section 515B.2-104, is amended to read:

17.2 **515B.2-104 DESCRIPTION OF UNITS.**

17.3 (a) A description of a unit is legally sufficient if it sets forth (i) the unit identifier of the
17.4 unit, (ii) the number assigned to the common interest community by the recording officer,
17.5 and (iii) the county in which the unit is located.

17.6 (b) If the CIC plat for a planned community complies with chapter 505, 508, or 508A,
17.7 then a description of a unit in the planned community is legally sufficient if it is stated in
17.8 terms of a plat or registered land survey. In planned communities whose CIC plats comply
17.9 with section 515B.2-110(c) or 515B.2-1101(c), and in all condominiums and cooperatives
17.10 created under this chapter, a unit identifier shall contain no more than six characters, only
17.11 one of which may be a letter.

17.12 (c) A description which complies with this section shall be deemed to include all rights,
17.13 obligations, and interests appurtenant to the unit which were created by the declaration or
17.14 bylaws, by a master declaration, or by this chapter, whether or not those rights, obligations,
17.15 or interests are expressly described.

17.16 (d) If the CIC plat for a planned community complies with section 515B.2-110(c) or
17.17 515B.2-1101(c), a description of the common elements is legally sufficient if it sets forth
17.18 (i) the words "common elements," (ii) the number assigned to the common interest
17.19 community by the recording officer, and (iii) the county in which the common elements are
17.20 located. The common elements may consist of separate parcels of real estate, in which case
17.21 each parcel shall be separately identified on the CIC plat and in any recorded instrument
17.22 referencing a separate parcel of the common elements.

17.23 Sec. 7. Minnesota Statutes 2024, section 515B.2-105, is amended to read:

17.24 **515B.2-105 DECLARATION CONTENTS; ALL COMMON INTEREST**
17.25 **COMMUNITIES.**

17.26 (a) The declaration shall contain:

17.27 (1) the number of the common interest community, whether the common interest
17.28 community is a condominium, planned community or cooperative, and the name of the
17.29 common interest community, which shall appear at the top of the first page of the declaration
17.30 in the following format:

17.31 Common Interest Community No.

17.32 (Type of Common Interest Community)

18.1 (Name of Common Interest Community)

18.2 DECLARATION

18.3 (2) a statement as to whether the common interest community is or is not subject to a
18.4 master association;

18.5 (3) the name of the association, a statement that the association has been incorporated
18.6 and a reference to the statute under which it was incorporated;

18.7 (4) a legally sufficient description of the real estate included in the common interest
18.8 community, a statement identifying any appurtenant easement necessary for access to a
18.9 public street or highway, and a general reference to any other appurtenant easements;

18.10 (5) a description of the boundaries of each unit created by the declaration and the unit's
18.11 unit identifier;

18.12 (6) in a planned community containing common elements, a legally sufficient description
18.13 of the common elements;

18.14 (7) in a cooperative, a statement as to whether the unit owners' interests in all units and
18.15 their allocated interests are real estate or personal property;

18.16 (8) an allocation to each unit of the allocated interests in the manner described in section
18.17 515B.2-108;

18.18 (9) a statement (i) of the total number of units, and (ii) identifying any units that are
18.19 restricted to residential use and any units that are restricted to nonresidential use;

18.20 (10) if applicable, a statement (i) of the maximum number of units that may be created
18.21 by the subdivision or conversion of units owned by the declarant pursuant to section
18.22 515B.2-112, and (ii) in declarations recorded on or after August 1, 2010, identifying the
18.23 units that a declarant may subdivide or convert or a statement that a declarant may subdivide
18.24 or convert all units;

18.25 (11) any material restrictions on use, occupancy, or alienation of the units, or on the sale
18.26 price of a unit or on the amount that may be received by an owner on sale, condemnation
18.27 or casualty loss to the unit or to the common interest community, or on termination of the
18.28 common interest community; provided, that these requirements shall not affect the power
18.29 of the association to adopt, amend or revoke rules and regulations pursuant to section
18.30 515B.3-102;

18.31 (12) a statement as to whether time shares are permitted;

19.1 (13) a statement as to whether the common interest community includes any shoreland,
 19.2 as defined in section 103F.205, and, if the common interest community includes shoreland,
 19.3 a statement that the common interest community may be subject to county, township, or
 19.4 municipal ordinances or rules affecting the development and use of the shoreland area; and

19.5 (14) if applicable, matters required by sections ~~515B.1-103(33)~~, 515B.1-103(33a) or
 19.6 (33b), Definitions: Special Declarant Rights; 515B.2-107, Declaration of Leasehold Common
 19.7 Interest Communities; 515B.2-109, Common Elements and Limited Common Elements;
 19.8 515B.2-110 or 515B.2-1101, as applicable, Common Interest Community Plat (CIC Plat);
 19.9 515B.2-121, Master Associations; and 515B.3-115 or 515B.3-1151, Assessments for
 19.10 Common Expenses; ~~and 515B.2-121, Master Associations.~~

19.11 (b) The declaration may contain any other matters the declarant considers appropriate.

19.12 Sec. 8. Minnesota Statutes 2024, section 515B.2-108, is amended to read:

19.13 **515B.2-108 ALLOCATION OF INTERESTS.**

19.14 (a) The declaration shall allocate to each unit:

19.15 (1) in a condominium, a fraction or percentage of undivided interests in the common
 19.16 elements and in the common expenses of the association and a portion of the votes in the
 19.17 association;

19.18 (2) in a cooperative, an ownership interest in the association, a fraction or percentage
 19.19 of the common expenses of the association and a portion of the votes in the association;
 19.20 and

19.21 (3) in a planned community, a fraction or percentage of the common expenses of the
 19.22 association and a portion of the votes in the association.

19.23 (b) The declaration shall state the formulas used to establish allocations of interests. If
 19.24 the fractions or percentages are all equal the declaration may so state in lieu of stating the
 19.25 fractions or percentages. The declaration need not allocate votes or a share of common
 19.26 expenses to units that are auxiliary to other units, such as garage units or storage units. The
 19.27 allocations shall not discriminate in favor of units owned by the declarant or an affiliate of
 19.28 the declarant, except as provided in sections 515B.2-121 ~~and~~, 515B.3-115, and 515B.3-1151.

19.29 (c) If units may be added to the common interest community, the formulas used to
 19.30 reallocate the allocated interests among all units included in the common interest community
 19.31 after the addition shall be the formulas stated in the declaration.

20.1 (d) The declaration may authorize special allocations: (i) of unit owner votes among
20.2 certain units or classes of units on particular matters specified in the declaration, or (ii) of
20.3 common expenses among certain units or classes of units on particular matters specified in
20.4 the declaration. Special allocations may only be used to address operational, physical or
20.5 administrative differences within the common interest community. A declarant may not
20.6 utilize special allocations for the purpose of evading any limitation or obligation imposed
20.7 on declarants by this chapter nor may units constitute a class because they are owned by a
20.8 declarant.

20.9 (e) The sum of each category of allocated interests allocated at any time to all the units
20.10 must equal one if stated as a fraction or 100 percent if stated as a percentage. In the event
20.11 of a discrepancy between an allocated interest and the result derived from application of
20.12 the pertinent formula, the allocated interest prevails.

20.13 (f) In a condominium or planned community, the common elements are not subject to
20.14 partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or
20.15 involuntary transfer of an undivided interest in the common elements made without the unit
20.16 to which that interest is allocated is void. The granting of easements, licenses or leases
20.17 pursuant to section 515B.2-109 or 515B.3-102 shall not constitute a partition.

20.18 (g) In a cooperative, any purported conveyance, encumbrance, judicial sale, or other
20.19 voluntary or involuntary transfer of an ownership interest in the association made without
20.20 the possessory interest in the unit to which that interest is related is void.

20.21 Sec. 9. Minnesota Statutes 2024, section 515B.2-110, is amended to read:

20.22 **515B.2-110 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC**
20.23 **CREATED BEFORE AUGUST 1, 2010.**

20.24 (a) A CIC plat is required for condominiums and planned communities, and cooperatives
20.25 in which the unit owners' interests are characterized as real estate. The CIC plat is a part of
20.26 the declaration in condominiums, in planned communities utilizing a CIC plat complying
20.27 with subsection (c), and in cooperatives in which the unit owners' interests are characterized
20.28 as real estate, but need not be physically attached to the declaration.

20.29 (1) In a condominium, or a cooperative in which the unit owners' interests are
20.30 characterized as real estate, the CIC plat shall comply with subsection (c).

20.31 (2) In a planned community, a CIC plat that does not comply with subsection (c) shall
20.32 consist of all or part of a subdivision plat or registered land survey complying with subsection
20.33 (d), or any combination thereof. The CIC plat or registered land survey need not contain

21.1 the number of the common interest community and may be recorded at any time before the
21.2 recording of the declaration; provided that if the CIC plat complies with subsection (c), the
21.3 number of the common interest community shall be included and the CIC plat shall be
21.4 recorded at the time of recording of the declaration.

21.5 (3) In a cooperative in which the unit owners' interests are characterized as personal
21.6 property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration or any
21.7 amendment to it creating, converting, or subdividing units in a personal property cooperative
21.8 shall include an exhibit containing a scale drawing of each building, identifying each building,
21.9 and showing the perimeter walls of each unit created or changed by the declaration or any
21.10 amendment to it, including the unit's unit identifier, and its location within the building if
21.11 the building contains more than one unit.

21.12 (b) The CIC plat, or supplemental or amended CIC plat, for condominiums, for planned
21.13 communities using a plat complying with subsection (c), and for cooperatives in which the
21.14 unit owners' interests are characterized as real estate, shall contain certifications by a licensed
21.15 professional land surveyor and licensed professional architect, as to the parts of the CIC
21.16 plat prepared by each, that (i) the CIC plat accurately depicts all information required by
21.17 this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying
21.18 land surveyor or architect. The portions of the CIC plat depicting the dimensions of the
21.19 portions of the common interest community described in subsection (c), clauses (8), (9),
21.20 (10), and (12), may be prepared by either a land surveyor or an architect. The other portions
21.21 of the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or
21.22 supplemental CIC plat, or an amendment to it, under this subsection by an architect is not
21.23 required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by
21.24 a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty
21.25 or warranty of the nature, suitability, or quality of construction of any improvements located
21.26 or to be located in the common interest community.

21.27 (c) A CIC plat for a condominium, or a cooperative in which the unit owners' interests
21.28 are characterized as real estate, shall show:

21.29 (1) the number of the common interest community, and the boundaries, dimensions, and
21.30 legally sufficient description of the land included therein;

21.31 (2) the dimensions and location of all existing material structural improvements and
21.32 roadways;

- 22.1 (3) the intended location and dimensions of any contemplated common element
22.2 improvements to be constructed within the common interest community after the filing of
22.3 the CIC plat, labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";
- 22.4 (4) the location and dimensions of any additional real estate, labeled as such, and a
22.5 legally sufficient description of the additional real estate;
- 22.6 (5) the extent of any encroachments by or upon any portion of the common interest
22.7 community;
- 22.8 (6) the location and dimensions of all recorded easements within the land included in
22.9 the common interest community burdening any portion of the land;
- 22.10 (7) the distance and direction between noncontiguous parcels of real estate;
- 22.11 (8) the location and dimensions of limited common elements, except that with respect
22.12 to limited common elements described in section ~~515B.2-102, subsections (d) and (f)~~
22.13 515B.2-109(c) and (d), only such material limited common elements as porches, balconies,
22.14 decks, patios, and garages shall be shown;
- 22.15 (9) the location and dimensions of the front, rear, and side boundaries of each unit and
22.16 that unit's unit identifier;
- 22.17 (10) the location and dimensions of the upper and lower boundaries of each unit with
22.18 reference to an established or assumed datum and that unit's unit identifier;
- 22.19 (11) a legally sufficient description of any real estate in which the unit owners will own
22.20 only an estate for years, labeled as "leasehold real estate"; and
- 22.21 (12) any units which may be converted by the declarant to create additional units or
22.22 common elements identified separately.
- 22.23 (d) A CIC plat for a planned community either shall comply with subsection (c), or it
22.24 shall:
- 22.25 (1) comply with chapter 505, 508, or 508A, as applicable; and
- 22.26 (2) comply with the applicable subdivision requirements of any governmental authority
22.27 within whose jurisdiction the planned community is located, subject to the limitations set
22.28 forth in section 515B.1-106.
- 22.29 (e) If a declarant adds additional real estate, the declarant shall record a supplemental
22.30 CIC plat or plats for the real estate being added, conforming to the requirements of this
22.31 section which apply to the type of common interest community in question. If less than all
22.32 additional real estate is being added, the supplemental CIC plat for a condominium, a planned

23.1 community whose CIC plat complies with subsection (c), or a cooperative in which the unit
 23.2 owners' interests are characterized as real estate shall also show the location and dimensions
 23.3 of the remaining portion.

23.4 (f) If, pursuant to section 515B.2-112, a declarant subdivides or converts any unit into
 23.5 two or more units, common elements, or limited common elements, or combines two or
 23.6 more units, the declarant shall record an amendment to the CIC plat showing the location
 23.7 and dimensions of any new units, common elements, or limited common elements thus
 23.8 created.

23.9 (g) A CIC plat that complies with subsection (c) is not subject to chapter 505.

23.10 (h) This section applies only to common interest communities created before August 1,
 23.11 2010.

23.12 Sec. 10. Minnesota Statutes 2024, section 515B.2-1101, is amended to read:

23.13 **515B.2-1101 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC**
 23.14 **CREATED ON OR AFTER AUGUST 1, 2010.**

23.15 (a) A CIC plat is required for condominiums and planned communities, and cooperatives
 23.16 in which the unit owners' interests are characterized as real estate. The CIC plat is a part of
 23.17 the declaration in condominiums, in planned communities utilizing a CIC plat complying
 23.18 with subsection (c), and in cooperatives in which the unit owners' interests are characterized
 23.19 as real estate, but need not be physically attached to the declaration.

23.20 (1) In a condominium, a planned community not utilizing a subdivision plat or registered
 23.21 land survey under subsection (d), clause (1), or a cooperative in which the unit owners'
 23.22 interests are characterized as real estate, the CIC plat shall comply with subsection (c).

23.23 (2) In a planned community, a CIC plat that does not comply with subsection (c) shall
 23.24 consist of all or part of a subdivision plat or registered land survey complying with subsection
 23.25 (d), or any combination thereof. The CIC subdivision plat or registered land survey need
 23.26 not contain the number of the common interest community and may be recorded at any time
 23.27 before the recording of the declaration; provided that if the CIC plat complies with subsection
 23.28 (c), the number of the common interest community shall be included and the CIC plat shall
 23.29 be recorded at the time of recording of the declaration.

23.30 (3) In a cooperative in which the unit owners' interests are characterized as personal
 23.31 property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration, or any
 23.32 amendment or supplemental declaration creating, converting, or subdividing units shall
 23.33 include an exhibit containing a dimensioned, scale drawing showing (i) the boundaries of

24.1 the land constituting the cooperative property, (ii) the location and dimensions of the front,
24.2 rear, and side boundaries of each unit, and (iii) the unit's unit identifier and its location
24.3 within the cooperative property.

24.4 (b) The CIC plat or supplemental or amended CIC plat for condominiums, for planned
24.5 communities using a plat complying with subsection (c), and for cooperatives in which the
24.6 unit owners' interests are characterized as real estate shall contain certifications by a licensed
24.7 professional land surveyor and licensed professional architect, as to the parts of the CIC
24.8 plat prepared by each, that (i) the CIC plat accurately depicts all information required by
24.9 this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying
24.10 land surveyor or architect. The portions of the CIC plat depicting the dimensions of the
24.11 portions of the common interest community described in subsection (c), clauses (8), (9),
24.12 and (10), may be prepared by either a land surveyor or an architect. The other portions of
24.13 the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or
24.14 supplemental CIC plat, or an amendment to it, under this subsection by an architect is not
24.15 required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by
24.16 a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty
24.17 or warranty of the nature, suitability, or quality of construction of any improvements located
24.18 or to be located in the common interest community.

24.19 (c) A CIC plat for a condominium, a planned community not utilizing a subdivision plat
24.20 or registered land survey under subsection (d), clause (1), or a cooperative in which the unit
24.21 owners' interests are characterized as real estate shall show:

24.22 (1) the number of the common interest community, and the boundaries, dimensions, and
24.23 a legally sufficient description of the land included therein. CIC plats under this paragraph
24.24 shall be numbered serially beginning with the next number after the last CIC number assigned
24.25 and the numbers shall run consecutively within the County Recorder's Office and Office of
24.26 the Registrar of Titles for each county;

24.27 (2) the dimensions and location of all existing roadways and material structural
24.28 improvements that are part of the common elements;

24.29 (3) the intended location and dimensions of all roadways and material structural
24.30 improvements that may be constructed by the declarant within the common elements after
24.31 the filing of the CIC plat, labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

24.32 (4) the location and dimensions of any additional real estate, labeled as such, and a
24.33 legally sufficient description of the additional real estate;

25.1 (5) the extent of any encroachments by or upon any portion of the common interest
25.2 community;

25.3 (6) the location and dimensions of all recorded easements within the land included in
25.4 the common interest community burdening any portion of the land;

25.5 (7) the distance and direction between noncontiguous parcels of real estate;

25.6 (8) the location and dimensions of limited common elements, except that with respect
25.7 to limited common elements described in section ~~515B.2-109~~, ~~subsections (e)~~ 515B.2-109(c)
25.8 and (d), only such material limited common elements as porches, balconies, decks, and
25.9 patios shall be shown;

25.10 (9) the location and dimensions of the front, rear, and side boundaries of each unit and
25.11 that unit's unit identifier;

25.12 (10) the location and dimensions of the upper and lower boundaries of each unit with
25.13 reference to an established or assumed datum and that unit's unit identifier; and

25.14 (11) a legally sufficient description of any real estate in which the unit owners will own
25.15 only an estate for years, labeled as "leasehold real estate."

25.16 (d) A CIC plat for a planned community either shall comply with subsection (c), or it
25.17 shall:

25.18 (1) comply with chapter 505, 508, or 508A, as applicable; and

25.19 (2) comply with the applicable subdivision requirements of any governmental authority
25.20 within whose jurisdiction the planned community is located, subject to the limitations set
25.21 forth in section 515B.1-106.

25.22 (e) If a declarant adds additional real estate, the declarant shall record a supplemental
25.23 CIC plat or plats for the real estate being added, conforming to the requirements of this
25.24 section which apply to the type of common interest community in question. If less than all
25.25 additional real estate is being added, the supplemental CIC plat for a condominium, a planned
25.26 community whose CIC plat complies with subsection (c), or a cooperative in which the unit
25.27 owners' interests are characterized as real estate, shall also show the location and dimensions
25.28 of the remaining portion.

25.29 (f) A CIC plat which complies with subsection (c) is not subject to chapter 505, but any
25.30 CIC plat recorded on or after August 1, 2026, must comply with the requirements of section
25.31 505.021, subdivision 1.

26.1 (g) This section applies only to common interest communities created on or after August
26.2 1, 2010.

26.3 Sec. 11. Minnesota Statutes 2024, section 515B.2-113, is amended to read:

26.4 **515B.2-113 ALTERATION OF UNITS.**

26.5 (a) Subject to the provisions of the declaration and applicable law, a unit owner may, at
26.6 the unit owner's expense, make any improvements or alterations to the unit, provided: (i)
26.7 that they do not impair the structural integrity or mechanical systems, affect the common
26.8 elements, or impair the support of any portion of the common interest community; (ii) that
26.9 prior arrangements are made with the association to ensure that other unit owners are not
26.10 disturbed; (iii) that the common elements are not damaged; and (iv) that the common
26.11 elements and other units are protected against mechanics' liens.

26.12 (b) Subject to the provisions of applicable law, a unit owner of a unit that is used as a
26.13 dwelling, whether primary, secondary, or seasonal, may, at the unit owner's expense, make
26.14 improvements or alterations to the unit as necessary for the full enjoyment of the unit by
26.15 any person residing in the unit who has a disability, as provided in the Fair Housing
26.16 Amendments Act, United States Code, title 42, section 3601, et seq., and the Minnesota
26.17 Human Rights Act, chapter 363A, and any amendments to those acts. This subsection applies
26.18 to all common interest communities subject to this chapter, chapter 515, or 515A,
26.19 notwithstanding any contrary provision of section 515B.1-102.

26.20 (c) The declaration, bylaws, rules, and regulations, or agreements with the association
26.21 may not prohibit the improvements or alterations referred to in subsection (b), but may
26.22 reasonably regulate the type, style, and quality of the improvements or alterations, as they
26.23 relate to health, safety, and architectural standards. In addition, improvements or alterations
26.24 made pursuant to subsection (b) must comply with subsection (a)(i), (ii), (iii), and (iv).

26.25 (d) The unit owner's rights under this section may not be waived.

26.26 (e) Subsection (b) does not apply to restrictions on improvements or alterations imposed
26.27 by statute, rule, or ordinance.

26.28 (f) Subject to the provisions of the declaration and applicable law, a unit owner may, at
26.29 the unit owner's expense, after acquiring title to an adjoining unit or an adjoining part of an
26.30 adjoining unit, with the prior written approval of the association and first mortgagees of the
26.31 affected units, remove or alter any intervening partition or create apertures therein, even if
26.32 the partition is part of the common elements, if those acts do not impair the structural
26.33 integrity or mechanical systems or lessen the support of any portion of the common interest

27.1 community. The adjoining unit owners shall have the exclusive license to use the space
 27.2 occupied by the removed partition, but the use shall not create an easement or vested right.
 27.3 Removal of partitions or creation of apertures under this subsection is not an alteration of
 27.4 boundaries. The association may require that the owner or owners of units affected replace
 27.5 or restore any removed partition, that the unit owner comply with subsection (a)(i), (ii) ~~and~~₂
 27.6 (iii), and (iv), and that the unit owner pay all fees and costs incurred by the association in
 27.7 connection with the alteration.

27.8 Sec. 12. Minnesota Statutes 2024, section 515B.2-118, is amended to read:

27.9 **515B.2-118 AMENDMENT OF DECLARATION.**

27.10 (a) Except as otherwise provided in subsection (d), the declaration, including any CIC
 27.11 plat, may be amended only by vote or written consent of unit owners of units to which at
 27.12 least 67 percent of the votes in the association are allocated, or any greater or other
 27.13 requirement the declaration specifies, subject to the following qualifications:

27.14 (1) A declarant may execute supplemental declarations or amendments under section
 27.15 515B.2-111 or 515B.2-112.

27.16 (2) The association and certain unit owners, as applicable, may execute amendments
 27.17 under section 515B.2-107, 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124.

27.18 (3) Except for amendments or supplemental declarations under subsection (a)(1) and
 27.19 (2), and except as provided in sections ~~515B.1-102(d)(3)~~ 515B.1-102(d)(3) and ~~515B.2-106~~
 27.20 ~~(a)(2)~~ 515B.2-106(a)(2), the unanimous written consent of the unit owners is required for
 27.21 any amendment which (i) creates or increases special declarant rights, (ii) increases the
 27.22 number of units, (iii) changes the boundaries of any unit, (iv) changes the allocated interests
 27.23 of a unit, (v) changes common elements to limited common elements or units, (vi) changes
 27.24 the authorized use of a unit from residential to nonresidential, or conversely, or (vii) changes
 27.25 the characterization of the unit owner's interest in a cooperative from real estate to personal
 27.26 property, or conversely. Where the amendment involves the conversion of common elements
 27.27 into a unit or units, the title to the unit or units created shall, upon recording of the
 27.28 amendment, vest in the association free and clear of the interests of the unit owners and all
 27.29 secured parties holding security interests in units.

27.30 (4) In addition to any other requirements contained in this section, a declarant must
 27.31 execute an amendment that eliminates or modifies any special declarant rights held by that
 27.32 declarant.

28.1 (5) If any provision of this chapter, the declaration, the bylaws, or the articles of
28.2 incorporation requires the consent of a secured party holding a security interest in a unit as
28.3 a condition for the approval or effectiveness of an amendment to the declaration, the bylaws,
28.4 or the articles of incorporation, the consent is deemed to be granted if the secured party's
28.5 written refusal to consent is not received by the association within 60 days after the secured
28.6 party receives from the association notice and a copy of the amendment, by certified United
28.7 States mail, postage prepaid and return receipt requested. If the secured party has not
28.8 otherwise provided to the association an address for notice, the association shall send the
28.9 notice to the address, if any, set forth in the recorded instrument that evidences the security
28.10 interest. This subsection shall not apply to an amendment that affects the priority of a secured
28.11 party's security interest or the ability of a secured party to foreclose its security interest. In
28.12 such cases, the number or percentage of secured parties whose consent is required by the
28.13 instrument to be amended must consent to the amendment in writing.

28.14 (6) The declaration may specify less than 67 percent for approval of an amendment, but
28.15 only if all of the units are restricted to nonresidential use.

28.16 (7) If any provision of this chapter, the declaration, the bylaws, or the articles of
28.17 incorporation requires the vote or consent of unit owners as a condition for the approval or
28.18 effectiveness of an amendment to the declaration, the bylaws, or the articles of incorporation,
28.19 the affirmative vote or consent of a unit owner is deemed to be granted if the association
28.20 sends notice and a copy of the amendment, by certified United States mail, postage prepaid
28.21 and return receipt requested, and (i) if a vote is conducted, the unit owner's vote is not cast
28.22 against the proposed amendment, or (ii) if consent is requested, the unit owner's written
28.23 refusal to consent is not received by the association within 60 days after notice is mailed.
28.24 This subsection shall not apply to any amendment that would require execution by the
28.25 association and certain unit owners pursuant to subsection (a)(2).

28.26 (b) No action to challenge the validity of an amendment or a supplemental declaration
28.27 may be brought more than two years after the amendment or supplemental declaration is
28.28 recorded.

28.29 (c) Every amendment to a declaration or supplemental declaration shall be recorded in
28.30 every county in which any portion of the common interest community is located and is
28.31 effective only when recorded and, for amendments recorded on or after August 1, 2026,
28.32 any vote or consent of unit owners required by this section or by the declaration is established
28.33 of record as provided in section 515B.1-116(d). If an amendment (i) changes the number
28.34 of units, (ii) changes the boundary of a unit, (iii) changes common elements to limited
28.35 common elements, ~~where the limited common element is required by~~ and section 515B.2-110

29.1 ~~(e), to 515B.2-110(c) or 515B.2-1101(c) requires the limited common element~~ be shown
29.2 on the CIC plat, (iv) changes limited common elements to common elements if the limited
29.3 common elements are shown as limited common elements on the CIC plat, or (v) makes
29.4 any other change that creates an inconsistency between the declaration, as amended, and
29.5 the CIC plat, then an amendment to the CIC plat reflecting the change shall be recorded.

29.6 (d) The association may petition the district court of any county in which any portion
29.7 of the common interest community is located for an order reducing the percentage of
29.8 affirmative votes or consents necessary for an amendment to the declaration, bylaws, or
29.9 articles of incorporation, subject to the following qualifications:

29.10 (1) The petition shall describe the reason for the amendment, the approval requirements
29.11 based on the governing documents and applicable law, the effort that has been made to
29.12 solicit approval of the association members, the number of affirmative votes or consents
29.13 actually received, the number of negative votes or denials actually received, the number or
29.14 percentage of affirmative votes or consents required to effect the amendment, and other
29.15 matters the petitioner considers relevant to the court's determination. The petition shall also
29.16 contain, as exhibits thereto, copies of all of the following: (i) the governing documents; (ii)
29.17 the complete text of the amendment; (iii) copies of any notice and solicitation materials
29.18 utilized in the solicitation of member approvals; and (iv) any other documentation that the
29.19 petitioner believes will be useful to the court in deciding whether to grant the petition.

29.20 (2) Upon filing the petition, the association shall contact the court administrator to obtain
29.21 a hearing date not less than 90 days after the date of filing the petition.

29.22 (3) Not less than 15 days prior to the date of the hearing, the association shall serve a
29.23 copy of the petition, excluding the exhibits, and notice of the hearing date on all members
29.24 of the association in the same manner as service of a summons by personal service, or by
29.25 publication in circumstances in which service of a summons by publication would be allowed
29.26 under the Minnesota Rules of Civil Procedure. Notwithstanding the foregoing, to avoid
29.27 unnecessary expenses of service, the association may obtain from any member of the
29.28 association a signed waiver of service (i) acknowledging receipt of a copy of the petition,
29.29 excluding the exhibits, and notice of the hearing date, and (ii) waiving service thereof.

29.30 (4) The court may grant the petition if it finds all of the following:

29.31 (i) each member of the association was served with a copy of the petition, excluding the
29.32 exhibits, and notice of the hearing date not less than 15 days prior to the date of the hearing,
29.33 or waived service thereof, pursuant to subsection (d)(3);

30.1 (ii) each secured party that is entitled to notice of the proposed amendment under the
30.2 terms of the declaration, bylaws, or articles of incorporation, if any, either consented to the
30.3 amendment, is deemed to have consented to the amendment pursuant to subsection (a)(5),
30.4 or received a copy of the petition, excluding the exhibits, and notice of the hearing date not
30.5 less than 15 days prior to the date of the hearing;

30.6 (iii) the association conducted a vote or requested the consent of the members regarding
30.7 the proposed amendment in accordance with the declaration, the bylaws, the articles of
30.8 incorporation, this chapter, and any other applicable law;

30.9 (iv) a reasonably diligent effort was made to permit all eligible members to vote, or to
30.10 grant or deny consent, regarding the proposed amendment;

30.11 (v) the amendment was approved by the affirmative vote or consent of unit owners of
30.12 units to which at least 67 percent of the votes in the association are allocated, or if all of the
30.13 units are restricted to nonresidential use, by the affirmative vote or consent of unit owners
30.14 of units to which a majority of the votes in the association are allocated;

30.15 (vi) the amendment is reasonable; and

30.16 (vii) granting the petition is not improper for any reason stated in subsection (d)(6).

30.17 (5) If the court makes the findings required by subsection (d)(4), any order issued pursuant
30.18 to this section may confirm the amendment as being validly approved on the basis of the
30.19 affirmative votes or consents actually received, or the order may dispense with any
30.20 requirement relating to quorums or to the number or percentage of votes or consents needed
30.21 for approval of the amendment that would otherwise exist under the governing documents.

30.22 (6) Notwithstanding subsections (d)(1) to (5), the court shall not approve any amendment
30.23 that:

30.24 (i) would require execution by the association and certain unit owners pursuant to
30.25 subsection (a)(2), unless the association and unit owners execute the amendment;

30.26 (ii) would require the unanimous written consent of the unit owners pursuant to subsection
30.27 (a)(3);

30.28 (iii) would eliminate any special rights, preferences, or privileges designated in the
30.29 declaration as belonging to the declarant, without the consent of the declarant; or

30.30 (iv) would impair the security interest of a secured party without the approval of the
30.31 percentage of secured parties specified in the declaration, if the declaration requires the
30.32 approval of a specified percentage of secured parties.

31.1 (7) An amendment to a declaration is not effective pursuant to this subsection until the
31.2 court order and amendment have been recorded in every county in which a portion of the
31.3 common interest community is located. Upon recordation of the amendment and court order,
31.4 the declaration, as amended in accordance with this section, shall have the same force and
31.5 effect as if the amendment were adopted in compliance with every requirement imposed
31.6 by this chapter and the declaration.

31.7 Sec. 13. Minnesota Statutes 2024, section 515B.2-119, is amended to read:

31.8 **515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY.**

31.9 (a) Except as otherwise provided in this chapter, a common interest community may be
31.10 terminated only by agreement of unit owners of units to which at least 80 percent of the
31.11 votes in the association are allocated, and 80 percent of the first mortgagees of units (each
31.12 mortgagee having one vote per unit financed), or any larger percentage the declaration
31.13 specifies. The declaration may specify a smaller percentage only if all of the units are
31.14 restricted to nonresidential use.

31.15 (b) An agreement to terminate shall be evidenced by a written agreement, executed in
31.16 the same manner as a deed by the number of unit owners and first mortgagees of units
31.17 required by subsection (a). The agreement shall specify a date after which the agreement
31.18 shall be void unless recorded before that date. The agreement shall also specify a date by
31.19 which the termination of the common interest community and the winding up of its affairs
31.20 must be accomplished. A certificate of termination executed by the association evidencing
31.21 the termination shall be recorded on or before the termination date, or the agreement to
31.22 terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the
31.23 certificate of termination shall be recorded in every county in which a portion of the common
31.24 interest community is situated and is effective only upon recording.

31.25 (c) In the case of a condominium or planned community containing only units having
31.26 upper and lower boundaries, a termination agreement may provide that all of the common
31.27 elements and units of the common interest community must be sold following termination.
31.28 If, pursuant to the agreement, any real estate in the common interest community is to be
31.29 sold following termination, the termination agreement shall set forth the minimum terms
31.30 of sale acceptable to the association.

31.31 (d) In the case of a condominium or planned community containing any units not having
31.32 upper and lower boundaries, a termination agreement may provide for sale of the common
31.33 elements, but it may not require that the units be sold following termination, unless the

32.1 original declaration provided otherwise or all unit owners whose units are to be sold consent
32.2 to the sale.

32.3 (e) The association, on behalf of the unit owners, shall have authority to contract for the
32.4 sale of real estate in a common interest community pursuant to this section, subject to the
32.5 required approval. The agreement to terminate shall be deemed to grant to the association
32.6 a power of attorney coupled with an interest to effect the conveyance of the real estate on
32.7 behalf of the holders of all interests in the units, including without limitation the power to
32.8 execute all instruments of conveyance and related instruments. Until the sale has been
32.9 completed, all instruments in connection with the sale have been executed and the sale
32.10 proceeds distributed, the association shall continue in existence with all powers it had before
32.11 termination.

32.12 (1) The instrument conveying or creating the interest in the common interest community
32.13 shall include as exhibits (i) an affidavit of the secretary of the association certifying that the
32.14 approval required by this section has been obtained and (ii) a schedule of the names of all
32.15 unit owners in the common interest community as of the date of the approval.

32.16 (2) Proceeds of the sale shall be distributed to unit owners and secured parties as their
32.17 interests may appear, in accordance with subsections (h), (i), (j), and (k).

32.18 (3) Unless otherwise specified in the agreement of termination, until the association has
32.19 conveyed title to the real estate, each unit owner and the unit owner's successors in interest
32.20 have an exclusive right to occupancy of the portion of the real estate that formerly constituted
32.21 the unit. During the period of that occupancy, each unit owner and the unit owner's successors
32.22 in interest remain liable for all assessments and other obligations imposed on unit owners
32.23 by this chapter, the declaration or the bylaws.

32.24 (f) The legal description of the real estate constituting the common interest community
32.25 shall, upon the date of recording of the certificate of termination referred to in subsection
32.26 (b), be as follows:

32.27 (1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1)
32.28 and (2) or 515B.2-1101(d)(1) and (2), the lot and block description contained in the CIC
32.29 plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee
32.30 interest in any part of the property.

32.31 (2) In a condominium or cooperative, or a planned community utilizing a CIC plat
32.32 complying with section 515B.2-110(c) or 515B.2-1101(c), the underlying legal description
32.33 of the real estate as set forth in the declaration creating the common interest community,

33.1 and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest
33.2 in any part of the property.

33.3 (3) The legal description referred to in this subsection shall apply upon the recording of
33.4 the certificate of termination. The recording officer for each county in which the common
33.5 interest community is located shall index the property located in that county in its records
33.6 under the legal description required by this subsection from and after the date of recording
33.7 of the certificate of termination. In the case of registered property, the registrar of titles shall
33.8 cancel the existing certificates of title with respect to the property and issue one or more
33.9 certificates of title for the property utilizing the legal description required by this subsection.

33.10 (g) In a condominium or planned community, if the agreement to terminate provides
33.11 that the real estate constituting the common interest community is not to be sold following
33.12 termination, title to the common elements and, in a common interest community containing
33.13 only units having upper and lower boundaries described in the declaration, title to all the
33.14 real estate in the common interest community, vests in the unit owners upon termination as
33.15 tenants in common in proportion to their respective interest as provided in subsection (k),
33.16 and liens on the units shift accordingly. While the tenancy in common exists, each unit
33.17 owner and the unit owner's successors in interest have an exclusive right to occupancy of
33.18 the portion of the real estate that formerly constituted the unit.

33.19 (h) The proceeds of any sale of real estate pursuant to subsection (e), together with the
33.20 assets of the association, shall be held by the association as trustee for unit owners, secured
33.21 parties and other holders of liens on the units as their interests may appear. Before distributing
33.22 any proceeds, the association shall have authority to deduct from the proceeds of sale due
33.23 with respect to the unit (i) unpaid assessments levied by the association with respect to the
33.24 unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and
33.25 (iii) the share of expenses of sale and winding up of the association's affairs with respect to
33.26 the unit.

33.27 (i) Following termination of a condominium or planned community, creditors of the
33.28 association holding liens on the units perfected before termination may enforce those liens
33.29 in the same manner as any lienholder, in order of priority based upon their times of perfection.
33.30 All other creditors of the association are to be treated as if they had perfected liens on the
33.31 units immediately before termination.

33.32 (j) In a cooperative, the declaration may provide that all creditors of the association have
33.33 priority over any interests of unit owners and creditors of unit owners. In that event, following
33.34 termination, creditors of the association holding liens on the cooperative which were perfected

34.1 before termination may enforce their liens in the same manner as any lienholder, in order
34.2 of priority based upon their times of perfection. All other creditors of the association shall
34.3 be treated as if they had perfected a lien against the cooperative immediately before
34.4 termination. Unless the declaration provides that all creditors of the association have that
34.5 priority:

34.6 (1) the lien of each creditor of the association which was perfected against the association
34.7 before termination becomes, upon termination, a lien against each unit owner's interest in
34.8 the unit as of the date the lien was perfected;

34.9 (2) any other creditor of the association is to be treated upon termination as if the creditor
34.10 had perfected a lien against each unit owner's interest immediately before termination;

34.11 (3) the amount of the lien of an association's creditor described in paragraphs (1) and
34.12 (2) against each of the unit owners' interest shall be proportionate to the ratio which each
34.13 unit's common expense liability bears to the common expense liability of all of the units;

34.14 (4) the lien of each creditor of each unit owner which was perfected before termination
34.15 continues as a lien against that unit owner's interest in the unit as of the date the lien was
34.16 perfected; and

34.17 (5) the assets of the association shall be distributed to all unit owners and all lienholders
34.18 as their interests may appear in the order described in this section. Creditors of the association
34.19 are not entitled to payment from any unit owner in excess of the amount of the creditor's
34.20 lien against that unit owner's interest.

34.21 (k) The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and
34.22 (i) are as follows:

34.23 (1) Except as provided in paragraph (2), the respective interests of unit owners are the
34.24 fair market values of their units, allocated interests, and any limited common elements
34.25 immediately before the termination, as determined by one or more independent appraisers
34.26 selected by the association. The decision of the independent appraisers must be distributed
34.27 to the unit owners and becomes final unless disapproved within 30 days after distribution
34.28 by unit owners of units to which 25 percent of the votes in the association are allocated.
34.29 The proportion of any unit's interest to that of all units is determined by dividing the fair
34.30 market value of that unit by the total fair market values of all the units.

34.31 (2) If any unit or any limited common element is destroyed to the extent that an appraisal
34.32 of the fair market value thereof before destruction cannot be made, the interests of all unit
34.33 owners shall be measured by: (i) in a condominium, their allocations of common element

35.1 interests immediately before the termination, (ii) in a cooperative, their respective ownership
 35.2 interests immediately before the termination, and (iii) in a planned community, their
 35.3 respective allocations of common expenses immediately before the termination.

35.4 (l) In a condominium or planned community, except as provided in subsection (m),
 35.5 foreclosure or enforcement of a lien or encumbrance against the entire common interest
 35.6 community does not terminate, of itself, the common interest community, and foreclosure
 35.7 or enforcement of a lien or encumbrance against a portion of the common interest community
 35.8 does not withdraw that portion from the common interest community.

35.9 (m) In a condominium or planned community, if a lien or encumbrance against a portion
 35.10 of the real estate comprising the common interest community has priority over the declaration
 35.11 and the lien or encumbrance has not been partially released, the parties foreclosing the lien
 35.12 or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject
 35.13 to that lien or encumbrance from the common interest community.

35.14 (n) Following the termination of a common interest community in accordance with this
 35.15 section, the association shall be dissolved in accordance with law.

35.16 Sec. 14. Minnesota Statutes 2024, section 515B.2-121, is amended to read:

35.17 **515B.2-121 MASTER ASSOCIATIONS.**

35.18 (a) A master association formed after June 1, 1994, shall be organized as a Minnesota
 35.19 profit, nonprofit or cooperative corporation. A master association shall be incorporated prior
 35.20 to the delegation to it of any powers under this chapter.

35.21 (b) The members of the master association shall be any combination of (i) unit owners,
 35.22 (ii) associations, (iii) master associations, or (iv) owners of real estate or property owners'
 35.23 associations not subject to this chapter but only in combination with at least one other
 35.24 category of member. An association or its members may be members of an entity created
 35.25 before June 1, 1994, which performs functions similar to those performed by a master
 35.26 association regardless of whether the entity is subject to this chapter.

35.27 (c) A master association shall be governed by a master board. Except as expressly
 35.28 prohibited by the master declaration, the master association's articles of incorporation or
 35.29 bylaws, or other provisions of this chapter, the master board may act in all instances on
 35.30 behalf of the master association. The directors of a master association shall be elected or,
 35.31 if a nonprofit corporation, elected or appointed, in a manner consistent with the requirements
 35.32 of the statute under which the master association is formed and of the master association's
 35.33 articles of incorporation and bylaws, and subject to the following:

36.1 (1) The master declaration may provide for a period of master developer control of the
36.2 master association during which a master developer or a person designated by the master
36.3 developer may appoint and remove the officers and directors of the master association. The
36.4 period of master developer control begins on the date of the recording of the master
36.5 declaration and terminates upon the earliest of the following events:

36.6 (i) the voluntary surrender of the right to appoint directors;

36.7 (ii) the date ten years after the date the master declaration is recorded, unless extended
36.8 by an amendment to the master declaration approved in writing by the master developer,
36.9 and by 67 percent of the votes of members other than the master developer;

36.10 (iii) the termination date, if any, in the master declaration; or

36.11 (iv) the date when at least 75 percent of the total units and other parcels of real estate
36.12 referred to in subsection (e)(1)(vii) have been conveyed to persons other than a master
36.13 developer, master association, declarant, or association.

36.14 (2) Upon the termination of the period of master developer control, the master board
36.15 shall cause a meeting of the members of the master association to be called and held within
36.16 60 days after said termination, at which time the directors shall be elected by all members,
36.17 including the master developer if a member. If the master board fails or refuses to call a
36.18 meeting of the unit owners required to be called by this subsection, then the members other
36.19 than the master developer and its affiliates, if they are members, may cause the meeting to
36.20 be called pursuant to the applicable provisions of the statute under which the master
36.21 association was created. If the master developer or its affiliates are members, they shall be
36.22 deemed to be present at the meeting for purposes of establishing a quorum regardless of
36.23 their failure to attend the meeting. The master board shall thereafter be subject to the
36.24 following:

36.25 (i) unless otherwise approved by a vote of members other than the master developer or
36.26 an affiliate of the master developer, a majority of the directors shall be members, or a natural
36.27 person designated by a member that is not a natural person, other than the master developer
36.28 or an affiliate of the master developer;

36.29 (ii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or
36.30 bylaws may authorize the master developer or a person designated by the master developer
36.31 to appoint one director, who need not be a member. The articles of incorporation or bylaws
36.32 shall not be amended to change or terminate the authorization to appoint one director without
36.33 the written consent of the master developer or other person possessing the power to appoint;
36.34 and

37.1 (iii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or
37.2 bylaws may authorize special classes of directors and director voting rights, as follows: (A)
37.3 classes of directors, (B) the appointment or election of directors in certain classes by certain
37.4 classes of members, or (C) class voting by classes of directors on issues affecting only a
37.5 certain class or classes of members, units, or other parcels of real estate, or to otherwise
37.6 protect the legitimate interests of such class or classes. No person may utilize such special
37.7 classes or class voting for the purpose of evading any limitation imposed by this chapter on
37.8 master developers or declarants.

37.9 (d) Subject to subsection (c)(1), the officers of a master association shall be elected,
37.10 appointed, or designated in a manner consistent with the statute under which the master
37.11 association is formed and consistent with the master association articles of incorporation
37.12 and bylaws.

37.13 (e) The creation and authority of a master association shall be governed by the following
37.14 requirements:

37.15 (1) A master declaration shall be recorded in connection with the creation of a master
37.16 association. The master declaration shall be executed by the owners of the real estate
37.17 subjected to the master declaration and by the master developer if not an owner. The master
37.18 declaration shall contain, at a minimum:

37.19 (i) the name of the master association;

37.20 (ii) a legally sufficient description of the real estate which is subject to the master
37.21 declaration, identifying any interest in the real estate which will be owned by the master
37.22 association, and a legally sufficient description of any other real estate which may be
37.23 subjected to the master declaration pursuant to subsection (f);

37.24 (iii) a statement as to whether the real estate subject to, and which may be subjected to,
37.25 the master declaration collectively is or collectively will be a separate common interest
37.26 community;

37.27 (iv) a description of the members of the master association;

37.28 (v) a description of the master association's powers. To the extent described in the master
37.29 declaration, a master association has the powers with respect to the master association's
37.30 members and the property subject to the master declaration that section 515B.3-102 grants
37.31 to an association with respect to the association's members and the property subject to the
37.32 declaration. A master association also has the powers delegated to it by an association
37.33 pursuant to subsection (e)(2) or by a property owners' association not subject to the chapter;

38.1 provided (A) that the master declaration identifies the powers and authorizes the delegation
38.2 either expressly or by a grant of authority to the master board of the association or property
38.3 owners' association and (B) that the master association board has not refused the delegation
38.4 pursuant to subsection (e)(4). The provisions of the declarations of the common interest
38.5 communities, or the provisions of recorded instruments governing other property subject
38.6 to the master declaration, that delegate powers to the master association shall be consistent
38.7 with the provisions of the master declaration that govern the delegation of the powers;

38.8 (vi) a description of the formulas governing the allocation of assessments and member
38.9 voting rights, including any special classes or class voting referred to in subsection (c);

38.10 (vii) a statement, based upon the master developer's good faith estimate, of the total
38.11 number of units and other parcels of real estate intended for ownership by persons other
38.12 than a master developer, master association, declarant, or association that are (A) subject
38.13 to the master declaration as initially recorded and (B) intended to be created by the addition
38.14 of real estate or by the subdivision of units or other parcels of real estate; and

38.15 (viii) the requirements for amendment of the master declaration, other than an amendment
38.16 under subsection (f).

38.17 (2) The declaration of a common interest community located on property subject to a
38.18 master declaration may:

38.19 (i) delegate any of the powers described in section 515B.3-102 to the master association;
38.20 provided, that a delegation of the powers described in section 515B.3-102(a)(2) is effective
38.21 only if expressly stated in the declaration; and

38.22 (ii) authorize the board to delegate any of the powers described in section 515B.3-102,
38.23 except for the powers described in section 515B.3-102(a)(2), to the master association.

38.24 (3) With respect to any other property subject to a master association, there need not be
38.25 an instrument other than the master declaration recorded against the property to empower
38.26 the master association to exercise powers with respect to the property.

38.27 (4) If a declaration or other recorded instrument authorizes the master board or the board
38.28 of a property owners' association to delegate powers to a master association, the master
38.29 board may refuse any delegation of powers that does not comply with (i) this chapter, (ii)
38.30 the declaration or other recorded instrument, or (iii) the organizational documents of the
38.31 master association.

38.32 (5) The failure of a declaration, a master board, or an owner of property subject to a
38.33 master association to properly delegate some or all of the powers to the master association

39.1 does not affect the authority of the master association to exercise those and other powers
39.2 with respect to other common interest communities or owners of properties that are subject
39.3 to the master association.

39.4 (6) Any interest in the real estate subject to a master declaration that subsection (e)(1)(ii)
39.5 or (f) indicates will be owned by the master association shall be conveyed to the master
39.6 association immediately after the recording of the master declaration or amendment to the
39.7 master declaration, as applicable.

39.8 (f) If the master declaration so provides, other real estate may be subjected to the master
39.9 declaration. The other real estate shall be subjected to the master declaration by an
39.10 amendment executed (i) by the master developer and (ii) by the owner of the other real
39.11 estate. The amendment shall identify any ownership interest in the other real estate that will
39.12 be owned by the master association.

39.13 (g) Sections 515B.3-103(a), (b), and (g), 515B.3-108, 515B.3-109, 515B.3-110, and
39.14 515B.3-112 shall apply in the conduct of the affairs of a master association. But the rights
39.15 of voting, notice, and other rights enumerated in those sections apply to persons who elect
39.16 or appoint the directors of a master board, whether or not those persons are otherwise unit
39.17 owners within the meaning of this chapter.

39.18 (h) If so provided in the master declaration, a master association may levy assessments
39.19 for common expenses of the master association against its members and the property subject
39.20 to the master declaration, and have and foreclose liens securing the assessments. The
39.21 assessment liens shall have the same priority against secured parties, shall include the same
39.22 fees and charges, and may be foreclosed in the same manner, as assessment liens under
39.23 section 515B.3-116. The master association's lien shall have priority as against the lien of
39.24 an association or property owners' association subject to the master association, regardless
39.25 of when the lien arose or was perfected.

39.26 (1) Master association common expenses shall be allocated among the members of the
39.27 master association in a fair and equitable manner. If the members include associations or
39.28 property owners' associations, then the master assessments may be allocated among and
39.29 levied against the associations or property owners' associations, or allocated among and
39.30 levied against the units or other parcels of real estate owned by the members of the association
39.31 or property owners' association. If so provided in the master declaration, master assessments
39.32 levied against a member association or property owners' association are allocated among
39.33 and levied against the units or other parcels of real estate owned by the members of the
39.34 association or property owners' association. If applicable and appropriate, the formulas and

40.1 principles described in section ~~515B.2-108, subsections (b)~~ 515B.2-108(b), (c), (d), and (e),
 40.2 shall be used in making the allocations. The assessment formulas and procedures described
 40.3 in the declarations of any common interest communities or any instruments governing other
 40.4 real estate subject to the master association shall not conflict with the formulas and procedures
 40.5 described in the master declaration.

40.6 (2) Subject to subsection (i), the master declaration may exempt from liability for all or
 40.7 a portion of master association assessments any person authorized by subsection (c)(1) to
 40.8 appoint the members of the master board, or any other person, and exempt any unit or other
 40.9 parcel of real estate owned by the person from a lien for such assessments, until the building
 40.10 containing the unit, or located within the boundaries of the unit or other parcel of real estate,
 40.11 is substantially completed. Substantial completion shall be evidenced by a certificate of
 40.12 occupancy in a jurisdiction that issues that certificate.

40.13 (i) A master association shall not be used, directly or indirectly, to avoid or nullify any
 40.14 warranties or other obligations for which a declarant of a common interest community
 40.15 subject to the master association is responsible, or to otherwise avoid the requirements of
 40.16 this chapter.

40.17 Sec. 15. Minnesota Statutes 2024, section 515B.2-124, is amended to read:

40.18 **515B.2-124 SEVERANCE OF COMMON INTEREST COMMUNITY.**

40.19 (a) Unless the declaration provides otherwise, a part of a common interest community
 40.20 containing one or more units, with or without common elements, may be severed from the
 40.21 common interest community, subject to the requirements of this section. Subject to any
 40.22 additional requirements contained in the declaration, the severance shall be approved in a
 40.23 written severance agreement complying with this section, executed by:

40.24 (1) unit owners entitled to cast at least 67 percent of the votes in the association, which
 40.25 approval shall include the approval of unit owners entitled to cast a majority of the votes
 40.26 allocated to units in the remaining common interest community and the approval of unit
 40.27 owners entitled to cast a majority of the votes allocated to units in the part of the common
 40.28 interest community being severed;

40.29 (2) declarant until the earlier of five years after the recording of the declaration or the
 40.30 time at which declarant no longer owns an unsold unit; and

40.31 (3) in the case of a cooperative, all holders of mortgages or contracts for deed on the
 40.32 entire real estate constituting the cooperative.

41.1 (b) The declaration may specify a smaller percentage for unit owner approval only if all
41.2 of the units are restricted to nonresidential use.

41.3 (c) The severance agreement shall specify a severance date by which the severance of
41.4 the common interest community shall be accomplished, after which the severance agreement
41.5 is void. The severance agreement shall be deemed to grant to the association a power of
41.6 attorney coupled with an interest to effect the severance of the common interest community
41.7 on behalf of the unit owners and the holders of all other interests in the units, including
41.8 without limitations the power to execute the amendment to the declaration, any instruments
41.9 of conveyance, and all related instruments.

41.10 (d) The severance agreement shall:

41.11 (1) Approve an amendment to the declaration complying with this chapter, in substantially
41.12 the same form to be recorded, and an amendment to the CIC plat if required. The declaration
41.13 amendment shall, at a minimum, (i) legally describe the real estate constituting the remaining
41.14 common interest community and the real estate being severed, (ii) restate the number of
41.15 units in the remaining common interest community, (iii) reallocate the interests of the unit
41.16 owners in the remaining common interest community among the remaining units in
41.17 accordance with the allocation formula set forth in the declaration, and (iv) recite any
41.18 easements to which the severed portion of the common interest community remains subject.

41.19 (2) Approve an amendment to the articles of incorporation and bylaws of the remaining
41.20 common interest community, if necessary.

41.21 (3) Authorize the association to execute and record the amended declaration, articles of
41.22 incorporation or bylaws on behalf of the unit owners and all other persons holding an interest
41.23 in the remaining common interest community, and to take other actions necessary to
41.24 accomplish the severance of the common interest community.

41.25 (4) Allocate the assets and liabilities of the association between the association and (i)
41.26 a new association formed pursuant to subsection (g), or (ii) the owners of the units being
41.27 severed, subject to a lien against their interest in the severed real estate or their share in the
41.28 assets of the association in favor of any person that held a security interest in their unit.

41.29 (5) If the units that are being severed from the common interest community will not be
41.30 included in a new common interest community that is (i) formed simultaneously with the
41.31 severance of the common interest community, and (ii) includes all of the units and
41.32 substantially all of the common elements being severed, then the agreement shall contain
41.33 the written consent of holders of first mortgages on all units that are being severed, and
41.34 shall describe in detail the proposed disposition of all real estate to be severed and all assets

42.1 of the association allocated to the severed units, and the distribution of the proceeds of the
42.2 disposition, if any, consistent with subsection (i).

42.3 (e) The severance agreement or a memorandum of it shall be recorded in every county
42.4 in which a part of the common interest community is located. The recording of the severance
42.5 agreement or memorandum of it shall, from the date of recording, constitute notice to all
42.6 persons subsequently acquiring an interest in the common interest community that the
42.7 common interest community is being severed, and that those persons acquire their interests
42.8 subject to the terms and conditions contained in the severance agreement and the amendment
42.9 to the declaration.

42.10 (f) The amendment to the declaration of the remaining common interest community
42.11 shall be recorded on or before the severance date or the severance agreement and the
42.12 amendment to the declaration are void as of the day after the severance date. The recording
42.13 of the amendment to the declaration shall complete the severance of the common interest
42.14 community and release the severed part of the common interest community from the
42.15 declaration without further action by any person.

42.16 (g) If the units that are being severed from the common interest community will be
42.17 included in a new common interest community, then unit owners entitled to cast at least 80
42.18 percent of the votes allocated by the existing declaration to these units shall approve a new
42.19 declaration, articles of incorporation and bylaws to govern the new common interest
42.20 community no later than the date of the severance agreement. However, the new declaration
42.21 shall not create, increase, or extend special declarant rights, increase the number of units,
42.22 change unit boundaries, change the formula for allocations of interests, change the use of
42.23 a unit from residential to nonresidential or conversely, or change the form of common
42.24 interest community, unless agreed to in writing by all owners whose units are being severed.
42.25 The new declaration shall be recorded simultaneously with the amendment to the existing
42.26 declaration. The articles of incorporation creating the association intended to govern the
42.27 new common interest community shall be filed with the secretary of state and the unit owners
42.28 whose units are being severed shall elect a board of directors to act on behalf of the new
42.29 association before the recording of the new declaration. The new association shall have a
42.30 power of attorney coupled with an interest to execute and record the new declaration, any
42.31 instruments of conveyance, and all related instruments on behalf of the unit owners whose
42.32 units are being severed from the common interest community, but shall not thereby acquire
42.33 any rights or obligations of a declarant. The board of directors of the new association shall
42.34 cooperate with the board of directors of the existing association to complete the severance.
42.35 The existing association shall retain all authority to act on behalf of the common interest

43.1 community until the amendment to the existing declaration and the new declaration are
43.2 recorded.

43.3 (h) The legal descriptions of the real estate constituting (i) the remaining common interest
43.4 community, and (ii) the severed portion of the common interest community shall, at the
43.5 time of recording of the amendment to the declaration referred to in subsection (e), be as
43.6 follows:

43.7 (1) In a planned community using a CIC plat that complies with section ~~515B.2-110,~~
43.8 ~~subsection (d) 515B.2-110(d)(1) and (2) or 515B.2-1101(d)(1) and (2),~~ the lot and block
43.9 descriptions contained in the CIC plat, and any amendments to it, with respect to (i) the
43.10 remaining common interest community, and (ii) the severed portion of the common interest
43.11 community.

43.12 (2) In a condominium, or cooperative or planned community using a CIC plat that
43.13 complies with section ~~515B.2-110, subsection (e) 515B.2-110(c) or 515B.2-1101(c),~~ (i) the
43.14 CIC plat description relating to the remaining common interest community, and (ii) the part
43.15 of the underlying legal description of the real estate in the declaration creating the common
43.16 interest community, and any amendments to it, relating to the severed part of the common
43.17 interest community.

43.18 (3) The recording officer for each county in which the common interest community is
43.19 located shall index the property located in that county in its records under the legal
43.20 descriptions required by this subsection as of the date of recording of the amendment to the
43.21 declaration. In the case of registered property, the registrar of titles shall cancel the existing
43.22 certificates of title for the severed part of the common interest community and issue
43.23 certificates of title for the property using the legal descriptions required by this subsection.

43.24 (i) In a condominium or planned community, if the severed part of the common interest
43.25 community is not to be reconstituted as a new common interest community following
43.26 severance, title to all the real estate in the severed part of the common interest community
43.27 vests in the unit owners of the units being severed, upon severance, as provided in the
43.28 severance agreement.

43.29 (j) No common interest community shall be severed in such a manner as to materially
43.30 impair access, utility services, communication services, or other essential services with
43.31 respect to either the remaining common interest community or the severed part of the
43.32 common interest community.

44.1 Sec. 16. Minnesota Statutes 2024, section 515B.2-125, is amended to read:

44.2 **515B.2-125 ADDITION OF COMMON ELEMENTS.**

44.3 (a) Unless the declaration provides otherwise, real estate owned by the association may
44.4 be added to the common interest community, as common elements only, subject to the
44.5 requirements of this section. Subject to any additional requirements contained in the
44.6 declaration, the addition of the real estate shall be approved by:

44.7 (1) unit owners entitled to cast at least 67 percent of the votes in the association;

44.8 (2) declarant until the earlier of (i) five years after the recording of the declaration, or
44.9 (ii) the time at which declarant no longer owns an unsold unit; and

44.10 (3) in the case of a cooperative, all holders of mortgages or contracts for deed on the
44.11 entire real estate constituting the cooperative.

44.12 (b) The declaration may specify a smaller percentage for unit owner approval only if all
44.13 of the units are restricted to nonresidential use. A part of the common elements shall not be
44.14 designated as limited common elements unless approved unanimously in writing by the
44.15 unit owners.

44.16 (c) The approval by the unit owners shall be deemed to grant to the association a power
44.17 of attorney coupled with an interest to acquire title to the real estate, if not previously
44.18 acquired, and to add the real estate to the common interest community on behalf of the unit
44.19 owners and the holders of all other interests in the units, including without limit the power
44.20 to execute an amendment to the declaration and any other instruments relating to the
44.21 acquisition.

44.22 (d) Following the required approvals, the association shall record an amendment to the
44.23 declaration complying with this chapter, that, at a minimum, (i) legally describes the real
44.24 estate added, (ii) designates the real estate as part of the common elements, and (iii) subjects
44.25 the real estate to the declaration.

44.26 (e) In the case of a common interest community using a plat complying with section
44.27 ~~515B.2-110, subsection (e)~~ 515B.2-110(c) or 515B.2-1101(c), the association shall record
44.28 an amended CIC plat reflecting the change in the common elements with the amendment
44.29 to the declaration. The recording of the amendment to the declaration, and amended CIC
44.30 plat if required, shall complete the addition of the real estate without further action by any
44.31 person.

45.1 Sec. 17. Minnesota Statutes 2024, section 515B.3-102, is amended to read:

45.2 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

45.3 (a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions
45.4 of the declaration or bylaws, the association shall have the power to:

45.5 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
45.6 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
45.7 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
45.8 jeopardize the health, safety or welfare of other occupants, which involves noise or other
45.9 disturbing activity, or which may damage the common elements or other units; (iii) regulating
45.10 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
45.11 and conduct which may damage the common interest community; (v) regulating the exterior
45.12 appearance of the common interest community, including, for example, balconies and patios,
45.13 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
45.14 implementing the articles of incorporation, declaration and bylaws, and exercising the
45.15 powers granted by this section; and (vii) otherwise facilitating the operation of the common
45.16 interest community;

45.17 (2) adopt and amend budgets for revenues, expenditures and reserves, and levy and
45.18 collect assessments for common expenses from unit owners;

45.19 (3) hire and discharge managing agents and other employees, agents, and independent
45.20 contractors;

45.21 (4) institute, defend, or intervene in litigation or administrative proceedings (i) in its
45.22 own name on behalf of itself or two or more unit owners on matters affecting the common
45.23 elements or other matters affecting the common interest community or, (ii) with the consent
45.24 of the owners of the affected units on matters affecting only those units;

45.25 (5) make contracts and incur liabilities;

45.26 (6) regulate the use, maintenance, repair, replacement, and modification of the common
45.27 elements and the units;

45.28 (7) cause improvements to be made as a part of the common elements, and, in the case
45.29 of a cooperative, the units;

45.30 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
45.31 real estate or personal property, but (i) common elements in a condominium or planned
45.32 community may be conveyed or subjected to a security interest only pursuant to section

46.1 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
46.2 may be subjected to a security interest, only pursuant to section 515B.3-112;

46.3 (9) grant or amend easements for public utilities, public rights-of-way or other public
46.4 purposes, and cable television or other communications, through, over or under the common
46.5 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
46.6 by the declaration; and, subject to approval by a vote of unit owners other than declarant
46.7 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
46.8 the common elements;

46.9 (10) impose and receive any payments, fees, or charges for the use, rental, or operation
46.10 of the common elements, other than limited common elements, and for services provided
46.11 to unit owners;

46.12 (11) impose interest and late charges for late payment of assessments and, after notice
46.13 and an opportunity to be heard before the board or a committee appointed by it, levy
46.14 reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
46.15 association, provided that attorney fees and costs must not be charged or collected from a
46.16 unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing
46.17 and a hearing is held by the board or a committee of the board, the board does not adopt a
46.18 resolution levying the fine or upholding the assessment against the unit owner or owner's
46.19 unit;

46.20 (12) impose reasonable charges for the review, preparation and recordation of
46.21 amendments to the declaration, resale certificates required by section 515B.4-107, statements
46.22 of unpaid assessments, or furnishing copies of association records;

46.23 (13) provide for the indemnification of its officers and directors, and maintain directors'
46.24 and officers' liability insurance;

46.25 (14) provide for reasonable procedures governing the conduct of meetings and election
46.26 of directors;

46.27 (15) exercise any other powers conferred by law, or by the declaration, articles of
46.28 incorporation or bylaws; and

46.29 (16) exercise any other powers necessary and proper for the governance and operation
46.30 of the association.

46.31 (b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
46.32 on the power of the association to deal with the declarant which are more restrictive than
46.33 the limitations imposed on the power of the association to deal with other persons.

47.1 (c) An association that levies a fine pursuant to subsection (a)(11), or an assessment
47.2 pursuant to section 515B.3-115(g); or 515B.3-1151(g), must provide a dated, written notice
47.3 to a unit owner that:

47.4 (1) states the amount and reason for the fine or assessment;

47.5 (2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which
47.6 a fine is being levied and the date of the levy; and (ii) the specific section of the declaration,
47.7 bylaws, rules, or regulations allegedly violated;

47.8 (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:

47.9 (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

47.10 (4) states that all unpaid fines and assessments are liens which, if not satisfied, could
47.11 lead to foreclosure of the lien against the owner's unit;

47.12 (5) describes the unit owner's right to be heard by the board or a committee appointed
47.13 by the board;

47.14 (6) states that if the assessment, fine, late fees, and other allowable charges are not paid,
47.15 the amount may increase as a result of the imposition of attorney fees and other collection
47.16 costs; and

47.17 (7) informs the unit owner that homeownership assistance is available from the Minnesota
47.18 Homeownership Center.

47.19 (d) Notwithstanding subsection (a), powers exercised under this section must comply
47.20 with sections 500.215, 500.216, and 500.217.

47.21 (e) Notwithstanding subsection (a)(4) or any other provision of this chapter, for common
47.22 interest communities created on or after August 1, 2017, the association, before instituting
47.23 litigation or arbitration involving construction defect claims against a development party,
47.24 shall:

47.25 (1) mail or deliver written notice of the anticipated commencement of the action to each
47.26 unit owner at the addresses, if any, established for notices to owners in the declaration and,
47.27 if the declaration does not state how notices are to be given to owners, to the owner's last
47.28 known address. The notice shall specify the nature of the construction defect claims to be
47.29 alleged, the relief sought, and the manner in which the association proposes to fund the cost
47.30 of pursuing the construction defect claims; and

47.31 (2) obtain the approval of owners of units to which a majority of the total votes in the
47.32 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the

48.1 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
 48.2 are excluded. The association may obtain the required approval by a vote at an annual or
 48.3 special meeting of the members or, if authorized by the statute under which the association
 48.4 is created and taken in compliance with that statute, by a vote of the members taken by
 48.5 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
 48.6 means or mailed ballots is authorized by that statute, the association shall also provide for
 48.7 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
 48.8 or mailed ballots, except that the votes must be used in combination with the vote taken at
 48.9 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
 48.10 for purposes of determining whether a quorum was present. Proxies may not be used for a
 48.11 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
 48.12 the notice required under subsection (e)(1) and the proxy expressly references this notice.

48.13 (f) For common interest communities created on or after August 1, 2017, the association
 48.14 may intervene in a litigation or arbitration involving a construction defect claim or assert a
 48.15 construction defect claim as a counterclaim, crossclaim, or third-party claim before complying
 48.16 with subsections (e)(1) and (e)(2) but the association's complaint in an intervention,
 48.17 counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless
 48.18 the association has complied with the requirements of subsection (e) within 90 days of the
 48.19 association's commencement of the complaint in an intervention or the assertion of the
 48.20 counterclaim, crossclaim, or third-party claim.

48.21 Sec. 18. Minnesota Statutes 2025 Supplement, section 515B.3-103, is amended to read:

48.22 **515B.3-103 BOARD OF DIRECTORS, OFFICERS AND DECLARANT**
 48.23 **CONTROL.**

48.24 (a) An association shall be governed by a board of directors whose appointment or
 48.25 election shall occur no later than the date of creation of the common interest community
 48.26 and shall be reflected in the association's records. Except as expressly prohibited by the
 48.27 declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this
 48.28 chapter, the board may act in all instances on behalf of the association. In the performance
 48.29 of their duties, the officers and directors are required to exercise (i) if appointed by the
 48.30 declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit
 48.31 owners, the care required of a director by section 302A.251, 308B.455, 308C.455, or
 48.32 317A.251, as applicable. The officers and directors appointed by the declarant shall have
 48.33 a duty to fulfill, and to cause the association to fulfill, their respective obligations under the
 48.34 declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions

49.1 of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners,
49.2 including the declarant and its affiliates, in a uniform and fair manner. The standards of
49.3 conduct for officers and directors set forth in this subsection shall also apply to the officers
49.4 and directors of master associations in the exercise of their duties on behalf of the master
49.5 association. Notwithstanding the provisions of section 317A.203, if an association is formed
49.6 under chapter 317A and consists of fewer than three units, the number of directors may be
49.7 equal to or greater than the number of units.

49.8 (b) The board may not act unilaterally to amend the declaration, to terminate the common
49.9 interest community, to elect directors to the board, or to determine the qualifications, powers
49.10 and duties, or terms of office of directors, but the board may fill vacancies in its membership
49.11 created other than by removal by the vote of the association members for the unexpired
49.12 portion of any term.

49.13 (c) The declaration may provide for a period of declarant control of the association,
49.14 during which a declarant, or persons designated by the declarant, may appoint and remove
49.15 the officers and directors of the association. The period of declarant control begins on the
49.16 date of creation of the common interest community and terminates upon the earliest of the
49.17 following events: (i) five years after the date of the first conveyance of a unit to a unit owner
49.18 other than a declarant in the case of a flexible common interest community or three years
49.19 in the case of any other common interest community, (ii) the declarant's voluntary surrender
49.20 of control by giving written notice to the unit owners pursuant to section 515B.1-115, or
49.21 (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

49.22 (d) The board shall cause a meeting of the unit owners to be called, as follows:

49.23 (1) If the period of declarant control has terminated pursuant to subsection (c), a meeting
49.24 of the unit owners shall be called and held within 60 days after said termination, at which
49.25 the board shall be appointed or elected by all unit owners, including declarant, subject to
49.26 the requirements of subsection (e).

49.27 (2) If 50 percent of the units that a declarant is authorized by the declaration to create
49.28 have been conveyed prior to the termination of the declarant control period, a meeting of
49.29 the unit owners shall be called and held within 60 days thereafter, at which not less than
49.30 33-1/3 percent of the members of the board shall be elected by unit owners other than a
49.31 declarant or an affiliate of a declarant.

49.32 (3) If the board fails or refuses to cause a meeting of the unit owners required to be called
49.33 pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may
49.34 cause the meeting to be called pursuant to the applicable provisions of the law under which

50.1 the association was created. The declarant and its affiliates shall be deemed to be present
50.2 at the meeting for purposes of establishing a quorum regardless of their failure to attend the
50.3 meeting.

50.4 (e) Following the termination of any period of declarant control, the unit owners shall
50.5 appoint or elect the board. All unit owners, including the declarant and its affiliates, may
50.6 cast the votes allocated to any units owned by them. The board shall thereafter be subject
50.7 to the following:

50.8 (1) Unless otherwise approved by a vote of unit owners other than the declarant or an
50.9 affiliate of the declarant, a majority of the directors shall be unit owners or a natural person
50.10 designated by a unit owner that is not a natural person, other than a declarant or an affiliate
50.11 of a declarant. The remaining directors need not be unit owners unless required by the
50.12 articles of incorporation or bylaws.

50.13 (2) Subject to the requirements of subsection (e)(1), the articles of incorporation or
50.14 bylaws may authorize the declarant or a person designated by the declarant to appoint one
50.15 director, who need not be a member. The articles of incorporation or bylaws shall not be
50.16 amended to change or terminate the authorization to appoint one director without the written
50.17 consent of the declarant or other person possessing the power to appoint.

50.18 (3) Subject to the requirements of subsection (e)(1), the articles of incorporation or
50.19 bylaws may authorize special classes of directors and director voting rights, as follows: (i)
50.20 classes of directors, (ii) the appointment or election of directors in certain classes by certain
50.21 classes of members, or (iii) class voting by classes of directors on issues affecting only a
50.22 certain class or classes of members, units, or other parcels of real estate, or to otherwise
50.23 protect the legitimate interest of such class or classes. No person may utilize such special
50.24 classes or class voting for the purpose of evading any limitation imposed on declarants by
50.25 this chapter.

50.26 (4) The board shall elect the officers. The directors and officers shall take office upon
50.27 election.

50.28 (f) In determining whether the period of declarant control has terminated under subsection
50.29 (c), or whether unit owners other than a declarant are entitled to elect members of the board
50.30 of directors under subsection (d), the percentage of the units conveyed shall be calculated
50.31 using as a numerator the number of units conveyed and as a denominator the number of
50.32 units subject to the declaration plus the number of units which the declarant is authorized
50.33 by the declaration to create on any additional real estate. The percentages referred to in
50.34 subsections (c) and (d) shall be calculated without reference to units that are auxiliary to

51.1 other units, such as garage units or storage units. A person shall not use a master association
51.2 or other device to evade the requirements of this section.

51.3 (g) Except as otherwise provided in this subsection, meetings of the board of directors
51.4 must be open to the unit owners. To the extent practicable, the board shall give reasonable
51.5 notice to the unit owners of the date, time, and place of a board meeting. If the date, time,
51.6 and place of meetings are provided for in the declaration, articles, or bylaws, announced at
51.7 a previous meeting of the board, posted in a location accessible to the unit owners and
51.8 designated by the board from time to time, or if an emergency requires immediate
51.9 consideration of a matter by the board, notice is not required. "Notice" has the meaning
51.10 given in section 317A.011, subdivision 14. Meetings may be closed to discuss the following:

51.11 (1) personnel matters;

51.12 (2) pending or potential litigation, arbitration or other potentially adversarial proceedings,
51.13 between unit owners, between the board or association and unit owners, or other matters in
51.14 which any unit owner may have an adversarial interest, if the board determines that closing
51.15 the meeting is necessary to discuss strategy or to otherwise protect the position of the board
51.16 or association or the privacy of a unit owner or occupant of a unit; or

51.17 (3) criminal activity arising within the common interest community if the board
51.18 determines that closing the meeting is necessary to protect the privacy of the victim or that
51.19 opening the meeting would jeopardize investigation of the activity.

51.20 Nothing in this subsection imposes a duty on the board to provide special facilities for
51.21 meetings. The failure to give notice as required by this subsection shall not invalidate the
51.22 board meeting or any action taken at the meeting. The minutes of any part of a meeting that
51.23 is closed under this subsection may be kept confidential at the discretion of the board.

51.24 Sec. 19. Minnesota Statutes 2024, section 515B.3-1041, is amended to read:

51.25 **515B.3-1041 SPECIAL DECLARANT RIGHTS; TRANSFER, LIABILITY OF**
51.26 **TRANSFEROR AND TRANSFEREE, AND TERMINATION; SPECIAL**
51.27 **DECLARANT RIGHTS TRANSFERRED ON OR AFTER AUGUST 1, 2010.**

51.28 (a) Except as set forth in subsection (b) or (c), a special declarant right, as defined in
51.29 section ~~515B.1-103(33b)~~ 515B.1-103(33a) or (33b), does not run with title and may only
51.30 be transferred pursuant to a separate transfer instrument, titled a "Transfer of Special
51.31 Declarant Rights," that both the transferor and the transferee execute.

51.32 (1) A transfer shall be recorded in compliance with applicable law, and is not effective
51.33 unless the transferee is the owner of record of a unit or additional real estate at the time the

52.1 transfer is recorded. Transfers recorded on or after June 1, 2011, shall be recorded against
52.2 title to all units in the common interest community.

52.3 (2) A transferor may transfer fewer than all of the special declarant rights the transferor
52.4 holds provided that any special declarant rights not transferred are subject to item (i).

52.5 (3) If as a result of a transfer there will be multiple declarants holding special declarant
52.6 rights, the transfer shall describe the allocation of each special declarant right between or
52.7 among the transferor and each transferee, including, at a minimum, a description of the
52.8 units or additional real estate to which the respective special declarant rights apply and the
52.9 name and address of the owner or owners of record of the respective units or additional real
52.10 estate at the time the transfer is recorded.

52.11 (b) If a declarant's ownership interest in a unit, or in additional real estate that may
52.12 become subject to the declaration pursuant to the exercise of a special declarant right, is
52.13 transferred to another person as a result of the foreclosure, termination, or cancellation of
52.14 a security interest, foreclosure of a judgment lien, tax judgment sale, tax-forfeited land sale,
52.15 sale or transfer under bankruptcy code or receivership proceedings, or other sale or transfer
52.16 approved by a court, or is transferred by a deed in lieu of foreclosure, then all special
52.17 declarant rights that are reserved to the declarant in the declaration and that relate to the
52.18 units or additional real estate transferred are automatically transferred to the person acquiring
52.19 title from the declarant, and the transfer is effective as to all special declarant rights, unless
52.20 or until: (i) the security instrument in the case of the foreclosure, termination, or cancellation
52.21 of a security interest, (ii) the instrument effecting the involuntary transfer, or (iii) a separate
52.22 instrument executed by the transferee and recorded in compliance with applicable law within
52.23 60 days after the date the transferee acquires title to the declarant's ownership interest,
52.24 provides for the transfer of fewer than all of the declarant's special declarant rights. From
52.25 and after June 1, 2011, a separate instrument recorded pursuant to subsection (b), item (iii),
52.26 shall be recorded against title to all units in the common interest community. For purposes
52.27 of this subsection, the transferee shall be deemed to acquire title upon the expiration of the
52.28 owner's period of redemption, or reinstatement in the case of contract for deed. The transferor
52.29 shall cease to have and shall not exercise any special declarant right that relates to the
52.30 transferor's ownership interest in the units or additional real estate transferred, whether or
52.31 not the transferee subsequently disclaims the right, but the transferor retains all reserved
52.32 special declarant rights that relate to its ownership interest that is not transferred to the
52.33 transferee.

52.34 (c) If a declarant is an individual rather than a legal entity, and the individual dies, than
52.35 all special declarant rights that are reserved to the declarant in the declaration and that relate

53.1 to the units or additional real estate owned by the declarant are automatically transferred
53.2 with the title to said units or additional real estate.

53.3 (d) A transferor's liability for the performance of obligations that this chapter imposes
53.4 upon a declarant is as follows:

53.5 (1) A transferor remains liable under this chapter for all obligations that this chapter
53.6 imposes upon a declarant that arise on or before the effective date of the transfer, except
53.7 that a transferor is not liable under section 515B.4-112 for any express warranties that a
53.8 transferee makes to a purchaser. Except as set forth in subsection (d), clauses (2) and (3),
53.9 a transferor is not liable under this chapter for the performance of any obligations that this
53.10 chapter imposes upon a declarant and arising after the effective date of the transfer.

53.11 (2) If a transferor and a transferee are affiliates, the transferor and the transferee are
53.12 jointly and severally liable under this chapter for the performance of all the obligations that
53.13 this chapter imposes upon a declarant, whether such obligations arise before, on, or after
53.14 the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains
53.15 liable to the extent its transferee remains liable under subsection (d) and is relieved of
53.16 liability to the same extent that its transferee is relieved of liability under subsection (e).

53.17 (3) If, following a transfer of special declarant rights, the transferor retains special
53.18 declarant rights, the transferor and transferee are jointly and severally liable for the
53.19 performance of all the obligations that this chapter imposes upon a declarant and that arise
53.20 after the effective date of the transfer, except that the transferor is not liable under section
53.21 515B.4-101(b) ~~or~~ 515B.4-102(b), ~~and section~~ or 515B.4-1021(b), as applicable, 515B.4-109,
53.22 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117, or 515B.4-118, to any
53.23 purchaser from or through the transferee.

53.24 (e) Except as provided in subsections (g) and (h), a transferee's liability for the
53.25 performance of obligations that this chapter imposes upon a declarant is as follows:

53.26 (1) Except as set forth in subsection (e), clause (3), a transferee is liable under this chapter
53.27 for all obligations that this chapter imposes upon a declarant and that arise after the effective
53.28 date of the transfer. A transferee is not liable under this chapter for the performance of any
53.29 obligations that this chapter imposes upon a declarant and that arise before or on the effective
53.30 date of the transfer, except that a transferee is liable under section 515B.4-112 for any
53.31 express warranties the transferee makes to a purchaser before or on the effective date of the
53.32 transfer.

53.33 (2) If a transferor and a transferee are affiliates, the transferor and the transferee are
53.34 jointly and severally liable under this chapter for the performance of all the obligations that

54.1 this chapter imposes upon a declarant, whether such obligations arise before, on, or after
 54.2 the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains
 54.3 liable to the extent its transferee remains liable under subsection (d) and is relieved of
 54.4 liability to the same extent that its transferee is relieved of liability under this subsection.

54.5 (3) If, following a transfer of special declarant rights under subsection (a) or (b), the
 54.6 transferor retains special declarant rights, the transferor and transferee are jointly and
 54.7 severally liable for the performance of all the obligations that this chapter imposes upon a
 54.8 declarant and that arise after the effective date of the transfer, except that the transferee is
 54.9 not liable under section 515B.4-101(b) ~~or~~ 515B.4-102(b), ~~and section~~ or 515B.4-1021(b),
 54.10 as applicable, 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117,
 54.11 or 515B.4-118, to any purchaser from or through the transferor.

54.12 (f) For purposes of this section, a declarant's obligations under section 515B.3-111(a)
 54.13 arise when the tort or contract violation occurs, a declarant's obligations to a purchaser under
 54.14 section 515B.4-112 arise when the declarant makes an express warranty to the purchaser
 54.15 and a declarant's obligations to a purchaser under sections 515B.4-113 and 515B.4-118(a)
 54.16 arise when the declarant conveys a unit to the purchaser.

54.17 (g) A transferee who acquires special declarant rights pursuant to subsection (b) and
 54.18 who is not an affiliate of the transferor may record an instrument in compliance with
 54.19 subsection (b) stating that the transferee elects to acquire only the special declarant rights
 54.20 described in section ~~515B.1-103(33b)(i)~~ 515B.1-103(33a)(i), (ii), and (iv) or (33b)(i), (ii),
 54.21 and (iv). In that case, the transferee is liable as a declarant only to purchasers from said
 54.22 transferee and only for the obligations of a declarant under sections 515B.4-101(b) ~~and~~
 54.23 515B.4-102(b), and sections or 515B.4-1021(b), as applicable, 515B.4-109, 515B.4-110,
 54.24 515B.4-111, 515B.4-113, 515B.4-117, and 515B.4-118, and for any express warranties
 54.25 under section 515B.4-112 that the transferee makes to purchasers.

54.26 (h) A transferee who acquires special declarant rights pursuant to subsection (b) and
 54.27 who is not an affiliate of the transferor may record an instrument in compliance with
 54.28 subsection (b) stating that the transferee elects to acquire the special declarant rights solely
 54.29 for subsequent retransfer to another person who acquires title to units or additional real
 54.30 estate from said transferee. In that case, (i) the transferee may not utilize special declarant
 54.31 rights in the sale of units or otherwise sell units, except to a person who also acquires one
 54.32 or more special declarant rights the transferee holds with respect to the units or additional
 54.33 real estate sold; (ii) the transferee may not exercise any special declarant rights other than
 54.34 the rights described in section ~~515B.1-103(33b)(v)~~ 515B.1-103(33a)(viii) or (33b)(v); (iii)
 54.35 the transferee is not liable to make up any operating deficit under section 515B.3-115(a)(2)

55.1 or 515B.3-1151(a)(2), as applicable; and (iv) the transferee is liable as a declarant only for
 55.2 the obligations of a declarant under sections 515B.3-103, 515B.3-111, and 515B.3-120, as
 55.3 applicable. A transferee who makes the election described in this subsection may
 55.4 subsequently rescind the election in whole or in part by recording an instrument in compliance
 55.5 with applicable law, and upon the recording of such an instrument the transferee's rights
 55.6 and obligations as a declarant shall be as otherwise set forth in this section.

55.7 (i) Nothing in this section shall subject any transferee of a special declarant right to any
 55.8 claims against or other obligations of a transferor, other than claims and obligations arising
 55.9 under this chapter, or the declaration or bylaws.

55.10 (j) A special declarant right held by a declarant terminates upon the earlier of: (i) that
 55.11 declarant's voluntary surrender of the special declarant right by giving written notice to the
 55.12 unit owners pursuant to section 515B.1-115; or (ii) the conveyance, whether voluntary or
 55.13 involuntary, by that declarant, of all of the units and additional real estate owned by that
 55.14 declarant, unless immediately after the conveyance the special declarant right is transferred
 55.15 to the grantee. All special declarant rights terminate ten years after the date of the first
 55.16 conveyance of a unit to a person other than a declarant unless extended by the vote or written
 55.17 agreement of unit owners entitled to cast at least 67 percent of the votes allocated to units
 55.18 not owned by a declarant.

55.19 (k) No person shall exercise special declarant rights unless, at the time of exercise, the
 55.20 person holds title of record to one or more units or additional real estate. Any exercise of a
 55.21 special declarant right in violation of this section shall be void, and the person attempting
 55.22 to exercise the right shall be liable for all damages and costs arising from its actions.

55.23 (l) Subsections (a) through (i) apply only to transfers of special declarant rights that are
 55.24 effective on or after August 1, 2010. Subsections (j) and (k) apply only to special declarant
 55.25 rights reserved in a declaration that is first recorded on or after August 1, 2010.

55.26 Sec. 20. Minnesota Statutes 2024, section 515B.3-105, is amended to read:

55.27 **515B.3-105 TERMINATION OF CONTRACTS, LEASES; CIC CREATED**
 55.28 **BEFORE AUGUST 1, 2010.**

55.29 (a) If entered into prior to termination of the period of declarant control, (i) any
 55.30 management contract, employment contract, or lease of recreational facilities, or garages
 55.31 or other parking facilities, (ii) any contract, lease, or license binding the association, and to
 55.32 which a declarant or an affiliate of a declarant is a party, or (iii) any contract, lease, or license
 55.33 binding the association or any unit owner other than the declarant or an affiliate of the

56.1 declarant which is not bona fide or which was unconscionable to the unit owners at the time
 56.2 entered into under the circumstances then prevailing, may be terminated without penalty
 56.3 by the association under the procedures described in this section.

56.4 (b) If prior to expiration of the suspension period described in Minnesota Statutes 2008,
 56.5 ~~section 515B.2-121, subsection (e), paragraph (3)~~ 515B.2-121(c)(3) or the termination of
 56.6 the period of master developer control described in section 515B.2-121(c)(1), as applicable,
 56.7 a contract, lease, or license of a type described in subsection (a) is entered into by a person
 56.8 having authority to appoint the directors of the master association and is binding upon the
 56.9 master association, then the master association, and not any association, may terminate the
 56.10 contract, lease, or license under the procedures described in this section.

56.11 (c) Termination shall be upon no less than 90 days' notice. Notice of termination shall
 56.12 be given by the association or master association, as applicable, in accordance with section
 56.13 515B.1-115; provided, that notice shall be effective only if given within two years following
 56.14 the termination of the period of declarant control or the suspension period described in
 56.15 Minnesota Statutes 2008, ~~section 515B.2-121, subsection (e), paragraph (3)~~ 515B.2-121(c)(3);
 56.16 or the termination of the period of master developer control described in section
 56.17 515B.2-121(c)(1), as applicable.

56.18 (d) This section does not apply to:

56.19 (1) any lease the termination of which would terminate the common interest community;

56.20 (2) in the case of a cooperative, a mortgage or contract for deed encumbering real estate
 56.21 owned by the association, except that if the mortgage or contract for deed contains a
 56.22 contractual obligation involving a type of contract, lease, or license which may be terminated
 56.23 pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant
 56.24 to subsection (c); or

56.25 (3) an agreement between a declarant or an affiliate of a declarant, or a person having
 56.26 authority pursuant to section 515B.2-121(c)(1) or pursuant to Minnesota Statutes 2008,
 56.27 ~~section 515B.2-121, subsection (e), paragraph (3)~~ 515B.2-121(c)(3), to appoint the directors
 56.28 of the master association, and any governmental entity, if such agreement is necessary to
 56.29 obtain governmental approvals, provide financing under any type of government program,
 56.30 or provide for governmentally required access, conservation, drainage, or utilities.

56.31 (e) This section applies only to common interest communities created before August 1,
 56.32 2010.

57.1 Sec. 21. Minnesota Statutes 2024, section 515B.3-1051, is amended to read:

57.2 **515B.3-1051 TERMINATION OF CONTRACTS, LEASES, LICENSES; CIC**
57.3 **CREATED ON OR AFTER AUGUST 1, 2010.**

57.4 (a) If entered into prior to termination of the period of declarant control, (i) any
57.5 management, employment, maintenance, or operations contract or any lease or license of
57.6 recreational, parking, or storage facilities, that is binding on the association; (ii) any other
57.7 contract, lease, or license entered into by the association, a declarant or an affiliate of a
57.8 declarant that is binding on the association; or (iii) any contract, lease, or license that is
57.9 binding on the association or all unit owners other than a declarant or an affiliate of the
57.10 declarant which is not bona fide or which was unconscionable to the association or the unit
57.11 owners at the time entered into under the circumstances then prevailing, may be terminated
57.12 without penalty by the association under the procedures described in this section.

57.13 (b) If entered into prior to the termination of the period of master developer control
57.14 described in section ~~515B.2-121, subsection (e), paragraph (1)~~ 515B.2-121(c)(1), a contract,
57.15 lease, or license of a type described in subsection (a) is entered into by the master developer
57.16 and is binding upon the master association, then the master association may terminate the
57.17 contract, lease, or license under the procedures described in this section.

57.18 (c) Termination shall be upon no less than 90 days' notice. Notice of termination shall
57.19 be given by the association or master association, as applicable, in accordance with section
57.20 515B.1-115; provided that notice shall be effective only if given within two years following
57.21 the termination of the period of declarant control or the period of master developer control,
57.22 as applicable.

57.23 (d) This section does not apply to the following, provided that the rights and obligations
57.24 created by the referenced instruments are (i) bona fide and not unconscionable as
57.25 contemplated by subsection (a), item (iii); and (ii) disclosed to the purchaser of the unit in
57.26 the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021:

57.27 (1) a lease the termination of which would terminate the common interest community;

57.28 (2) in the case of a cooperative, a mortgage or contract for deed encumbering real estate
57.29 owned by the association, except that if the mortgage or contract for deed contains a
57.30 contractual obligation involving a type of contract, lease, or license which may be terminated
57.31 pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant
57.32 to subsection (c);

58.1 (3) an agreement between a declarant or an affiliate of a declarant, or a master developer,
58.2 and any governmental entity, if such agreement is necessary to obtain governmental
58.3 approvals, provide financing under any type of government program, or provide for
58.4 governmentally required access, conservation, drainage, utilities, or other public purpose;

58.5 (4) subject to the requirements of section 515B.4-110(a), a lease, easement, covenant,
58.6 condition, or restriction that is recorded before the recording of the declaration, to the extent
58.7 that it benefits a person other than a declarant or an affiliate of a declarant; or

58.8 (5) a license granted by a declarant pursuant to section 515B.2-109(e).

58.9 (e) This section applies only to common interest communities created on or after August
58.10 1, 2010.

58.11 Sec. 22. Minnesota Statutes 2024, section 515B.3-106, is amended to read:

58.12 **515B.3-106 BYLAWS; ANNUAL REPORT.**

58.13 (a) A common interest community shall have bylaws which comply with this chapter
58.14 and the statute under which the association is incorporated. The bylaws and any amendments
58.15 may be recorded, but need not be recorded to be effective unless so provided in the bylaws.
58.16 To be eligible for recording on or after August 1, 2026, bylaws or bylaw amendments must
58.17 be executed by the association.

58.18 (b) The bylaws shall provide that, in addition to any statutory requirements:

58.19 (1) A meeting of the members shall be held at least once each year, and a specified
58.20 officer of the association shall give notice of the meeting as provided in section 515B.3-108.

58.21 (2) An annual report shall be prepared by the association and a copy of the report shall
58.22 be provided to each unit owner at or prior to the annual meeting.

58.23 (c) The annual report shall contain at a minimum:

58.24 (1) a statement of any capital expenditures in excess of two percent of the current budget
58.25 or \$5,000, whichever is greater, approved by the association for the current fiscal year or
58.26 succeeding two fiscal years;

58.27 (2) a statement of the association's total replacement reserves, the components of the
58.28 common interest community for which the reserves are set aside, and the amounts of the
58.29 reserves, if any, that the board has allocated for the replacement of each of those components;

58.30 (3) a copy of the statement of revenues and expenses for the association's last fiscal year,
58.31 and a balance sheet as of the end of said fiscal year;

59.1 (4) a statement of the status of any pending litigation or judgments to which the
59.2 association is a party;

59.3 (5) a detailed description of the insurance coverage provided by the association including
59.4 a statement as to which, if any, of the items referred to in section ~~515B.3-113, subsection~~
59.5 ~~(b)~~ 515B.3-113(b), are insured by the association; and

59.6 (6) a statement of the total past due assessments on all units, current as of not more than
59.7 60 days prior to the date of the meeting.

59.8 Sec. 23. Minnesota Statutes 2024, section 515B.3-107, is amended to read:

59.9 **515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

59.10 (a) Except to the extent provided by the declaration, this subsection or section
59.11 515B.3-113, the association is responsible for the maintenance, repair and replacement of
59.12 the common elements, and each unit owner is responsible for the maintenance, repair and
59.13 replacement of the unit owner's unit. ~~Damage to the common~~ With respect to common
59.14 interest communities created before August 1, 2017, damage to the common elements or
59.15 any unit as a result of the acts or omissions of a unit owner or the association is the
59.16 responsibility of the person causing the damage, or whose agents or invitees caused the
59.17 damage. With respect to common interest communities created on or after August 1, 2017,
59.18 damage to the common elements or any unit as a result of the acts or omissions of a unit
59.19 owner or the association, including damage resulting from the unit owner's or association's
59.20 lack of maintenance or failure to perform necessary repairs or replacement, is the
59.21 responsibility of the unit owner or association responsible for causing the damage, or whose
59.22 agents or invitees caused the damage.

59.23 (b) The association's board of directors shall prepare and approve a written preventative
59.24 maintenance plan, maintenance schedule, and maintenance budget for the common elements.
59.25 The association shall follow the approved preventative maintenance plan. The association's
59.26 board may amend, modify, or replace an approved preventative maintenance plan or an
59.27 approved maintenance schedule from time to time. The association must provide all unit
59.28 owners with a paper copy, electronic copy, or electronic access to the preventative
59.29 maintenance plan, the maintenance schedule, and any amendments or modifications to or
59.30 replacements of the preventative maintenance plan and the maintenance schedule. If a
59.31 common interest community was created on or before August 1, 2017, the association's
59.32 board of directors shall have until January 1, 2019, to comply with the requirements of this
59.33 subsection.

60.1 (c) The association shall have access through and into each unit for purposes of
60.2 performing maintenance, repair or replacement for which the association may be responsible.
60.3 The association and any public safety personnel shall also have access for purposes of
60.4 abating or correcting any condition in the unit which violates any governmental law,
60.5 ordinance or regulation, which may cause material damage to or jeopardize the safety of
60.6 the common interest community, or which may constitute a health or safety hazard for
60.7 occupants of units.

60.8 (d) Neither the association, nor any unit owner other than the declarant or its affiliates,
60.9 is subject to a claim for payment of expenses incurred in connection with any additional
60.10 real estate.

60.11 Sec. 24. Minnesota Statutes 2024, section 515B.3-112, is amended to read:

60.12 **515B.3-112 CONVEYANCE OF, OR CREATION OF SECURITY INTERESTS**
60.13 **IN, COMMON ELEMENTS.**

60.14 (a) In a condominium or planned community, unless the declaration provides otherwise,
60.15 portions of the common elements may be conveyed or subjected to a security interest by
60.16 the association if persons entitled to cast at least 67 percent of the votes in the association,
60.17 including 67 percent of the votes allocated to units not owned by a declarant, or any larger
60.18 percentage the declaration specifies, approve that action in writing or at a meeting; but all
60.19 unit owners of units to which any limited common element is allocated must agree in order
60.20 to convey that limited common element or subject it to a security interest. The declaration
60.21 may specify a smaller percentage only if all of the units are restricted to nonresidential use.

60.22 (b) In a cooperative, unless the declaration provides otherwise, part of a cooperative
60.23 may be conveyed, or all or a part subjected to a security interest, by the association if persons
60.24 entitled to cast at least 67 percent of the votes in the association, including 67 percent of
60.25 the votes allocated to units in which the declarant has no interest, or any larger percentage
60.26 the declaration specifies, approves that action in writing or at a meeting. If fewer than all
60.27 of the units or limited common elements are to be conveyed or subjected to a security
60.28 interest, then all unit owners of those units, or the units to which those limited common
60.29 elements are allocated, must agree in order to convey those units or limited common elements
60.30 or subject them to a security interest. The declaration may specify a smaller percentage only
60.31 if all of the units are restricted to nonresidential use. Any purported conveyance or other
60.32 voluntary transfer of an entire cooperative is void, unless made pursuant to section
60.33 515B.2-119.

61.1 (c) The association, on behalf of the unit owners, may contract to convey or encumber
61.2 an interest in the common elements of a common interest community pursuant to this
61.3 subsection, subject to the required approval. After the approval has been obtained, the
61.4 association shall have a power of attorney coupled with an interest to effect the conveyance
61.5 or encumbrance on behalf of all unit owners in the common interest community, including
61.6 the power to execute deeds, mortgages, or other instruments of conveyance or security. The
61.7 instrument conveying or creating the interest in the common interest community shall be
61.8 recorded and shall include as exhibits (i) an affidavit of the president or secretary of the
61.9 association certifying that the approval required by this section has been obtained and (ii)
61.10 a schedule of the names of all unit owners and units in the common interest community as
61.11 of the date of the approval.

61.12 (d) Unless made pursuant to this section, any purported conveyance, creation of a security
61.13 interest in or other voluntary transfer of any interest in the common elements, or of any part
61.14 of a cooperative, is void. The grant of an easement, lease, or license pursuant to section
61.15 515B.3-102(a)(9) is not subject to this section.

61.16 (e) In the case of a conveyance involving a condominium, a planned community utilizing
61.17 a CIC plat complying with section 515B.2-110(c) or 515B.2-1101(c), or a cooperative in
61.18 which the unit owners' interests are characterized as real estate, the association shall record,
61.19 simultaneously with the recording of the instrument of conveyance, an amended CIC plat
61.20 showing the real estate constituting the common interest community exclusive of the real
61.21 estate conveyed.

61.22 (f) A conveyance or encumbrance of common elements, or of a cooperative, pursuant
61.23 to this section shall not deprive any unit of its rights of support, reasonable access or utility
61.24 services.

61.25 (g) In all common interest communities, upon recording of the instrument of conveyance,
61.26 the real estate conveyed shall be released from the declaration and all rights and obligations
61.27 arising therefrom. Except as provided in subsection (a), or unless the declaration otherwise
61.28 provides, a conveyance or encumbrance of common elements pursuant to this section does
61.29 not affect the priority or validity of preexisting encumbrances.

61.30 (h) Any proceeds of the conveyance or creation of a security interest under this section
61.31 are an asset of the association.

61.32 (i) This section shall not apply to any conveyance or encumbrance of any interest in a
61.33 proprietary lease.

62.1 Sec. 25. Minnesota Statutes 2024, section 515B.3-113, is amended to read:

62.2 **515B.3-113 INSURANCE.**

62.3 (a) Commencing not later than the time of the first conveyance of a unit to a unit owner
62.4 other than a declarant, the association shall maintain, to the extent reasonably available:

62.5 (1) subject to subsection (b), property insurance (i) on the common elements and, in a
62.6 planned community, also on property that must become common elements, (ii) for broad
62.7 form covered causes of loss, and (iii) in a total amount of not less than the full insurable
62.8 replacement cost of the insured property, less deductibles, at the time the insurance is
62.9 purchased and at each renewal date, exclusive of items normally excluded from property
62.10 policies; and

62.11 (2) commercial general liability insurance against claims and liabilities arising in
62.12 connection with the ownership, existence, use or management of the property in an amount,
62.13 if any, specified by the common interest community instruments or otherwise deemed
62.14 sufficient in the judgment of the board, insuring the board, the association, the management
62.15 agent, and their respective employees, agents and all persons acting as agents. The declarant
62.16 shall be included as an additional insured in its capacity as a unit owner or board member.
62.17 The unit owners shall be included as additional insureds but only for claims and liabilities
62.18 arising in connection with the ownership, existence, use or management of the common
62.19 elements. The insurance shall cover claims of one or more insured parties against other
62.20 insured parties.

62.21 (b) In the case of a common interest community that contains units, or structures within
62.22 units, sharing or having contiguous walls, siding or roofs, the insurance maintained under
62.23 subsection (a)(1) shall include those units, or structures within those units, and the common
62.24 elements. The insurance need not cover the following items within the units: (i) ceiling or
62.25 wall finishing materials, (ii) finished flooring, (iii) cabinetry, (iv) finished millwork, (v)
62.26 electrical, heating, ventilating, and air conditioning equipment, and plumbing fixtures serving
62.27 a single unit, (vi) built-in appliances, or (vii) other improvements and betterments, regardless
62.28 of when installed. If any improvements and betterments are covered, any increased cost
62.29 may be assessed by the association against the units affected. The association may, in the
62.30 case of a claim for damage to a unit or units, (i) pay the deductible amount as a common
62.31 expense, (ii) assess the deductible amount against one or more of the units affected in any
62.32 reasonable manner, or (iii) require the unit owners of one or more of the units affected to
62.33 pay the deductible amount directly.

63.1 (c) If the insurance described in subsections (a) and (b) is not reasonably available, the
63.2 association shall promptly cause notice of that fact to be hand delivered or sent prepaid by
63.3 United States mail to all unit owners. The declaration may require the association to carry
63.4 any other insurance, and the association in any event may carry any other insurance it
63.5 considers appropriate to protect the association, the unit owners or officers, directors or
63.6 agents of the association.

63.7 (d) Insurance policies carried pursuant to subsections (a) and (b) shall provide that:

63.8 (1) each unit owner and secured party is an insured person under the policy with respect
63.9 to liability arising out of the unit owner's interest in the common elements or membership
63.10 in the association;

63.11 (2) the insurer waives its right to subrogation under the policy against any unit owner
63.12 of ~~the condominium~~ a unit in the common interest community or members of the unit owner's
63.13 household and against the association and members of the board of directors;

63.14 (3) no act or omission by any unit owner or secured party, unless acting within the scope
63.15 of authority on behalf of the association, shall void the policy or be a condition to recovery
63.16 under the policy; and

63.17 (4) if at the time of a loss under the policy there is other insurance in the name of a unit
63.18 owner covering the same property covered by the policy, the association's policy is primary
63.19 insurance. A declaration may provide, however, that with respect to insurance policies
63.20 carried pursuant to subsection (a)(2), if, at the time of a claim under the policy that arises
63.21 out of or relates to the use of a limited common element assigned to a unit that is restricted
63.22 to nonresidential use, there is other insurance in the name of the unit owner of the unit to
63.23 which that limited common element is assigned, any insurance in the name of the unit owner
63.24 to which the limited common element is assigned is primary insurance.

63.25 (e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted by
63.26 and with the association. The insurance proceeds for that loss shall be payable to the
63.27 association, or to an insurance trustee designated by the association for that purpose. The
63.28 insurance trustee or the association shall hold any insurance proceeds in trust for unit owners
63.29 and secured parties as their interests may appear. The proceeds shall be disbursed first for
63.30 the repair or restoration of the damaged common elements and units. If there is a surplus
63.31 of proceeds after the common elements and units have been completely repaired or restored
63.32 or the common interest community is terminated, the board of directors may retain the
63.33 surplus for use by the association or distribute the surplus among the owners on an equitable
63.34 basis as determined by the board.

64.1 (f) Unit owners may obtain insurance for personal benefit in addition to insurance carried
64.2 by the association.

64.3 (g) An insurer that has issued an insurance policy under this section shall issue certificates
64.4 or memoranda of insurance, upon request, to any unit owner or secured party. The insurance
64.5 may not be canceled until 60 days after notice of the proposed cancellation has been mailed
64.6 to the association, each unit owner and each secured party for an obligation to whom
64.7 certificates of insurance have been issued.

64.8 (h) Any portion of the common interest community which is damaged or destroyed as
64.9 the result of a loss covered by the association's insurance shall be promptly repaired or
64.10 replaced by the association unless (i) the common interest community is terminated and the
64.11 association votes not to repair or replace all or part thereof, (ii) repair or replacement would
64.12 be illegal under any state or local health or safety statute or ordinance, or (iii) 80 percent of
64.13 the unit owners, including every unit owner and holder of a first mortgage on a unit or
64.14 assigned limited common element which will not be rebuilt, vote not to rebuild. Subject to
64.15 subsection (b), the cost of repair or replacement of the common elements in excess of
64.16 insurance proceeds and reserves shall be paid as a common expense, and the cost of repair
64.17 of a unit in excess of insurance proceeds shall be paid by the respective unit owner.

64.18 (i) If less than the entire common interest community is repaired or replaced, (i) the
64.19 insurance proceeds attributable to the damaged common elements shall be used to restore
64.20 the damaged area to a condition compatible with the remainder of the common interest
64.21 community, (ii) the insurance proceeds attributable to units and limited common elements
64.22 which are not rebuilt shall be distributed to the owners of those units, including units to
64.23 which the limited common elements were assigned, and the secured parties of those units,
64.24 as their interests may appear, and (iii) the remainder of the proceeds shall be distributed to
64.25 all the unit owners and secured parties as their interests may appear in proportion to their
64.26 common element interest in the case of a condominium or in proportion to their common
64.27 expense liability in the case of a planned community or cooperative.

64.28 (j) If the unit owners and holders of first mortgages vote not to rebuild a unit, that unit's
64.29 entire common element interest, votes in the association, and common expense liability are
64.30 automatically reallocated upon the vote as if the unit had been condemned under section
64.31 515B.1-107. The association shall have the power to, and shall, promptly prepare, execute
64.32 and record an amendment to the declaration reflecting the reallocations. Notwithstanding
64.33 the provisions of this subsection, if the common interest community is terminated, insurance
64.34 proceeds not used for repair or replacement shall be distributed in the same manner as sales
64.35 proceeds pursuant to section 515B.2-119(e).

65.1 (k) The provisions of this section may be varied or waived in the case of a common
65.2 interest community in which all units are restricted to nonresidential use.

65.3 Sec. 26. Minnesota Statutes 2024, section 515B.3-1141, is amended to read:

65.4 **515B.3-1141 REPLACEMENT RESERVES.**

65.5 (a) The association shall include in its annual budgets replacement reserves projected
65.6 by the board to be adequate, together with past and future contributions to replacement
65.7 reserves, to fund the replacement of those components of the common interest community
65.8 which the association is obligated to replace by reason of ordinary wear and tear or
65.9 obsolescence, subject to the following:

65.10 (1) The amount annually budgeted for replacement reserves shall be adequate, together
65.11 with past and future contributions to replacement reserves, to replace the components as
65.12 determined based upon the estimated remaining useful life of each component; provided
65.13 that portions of replacement reserves need not be segregated for the replacement of specific
65.14 components.

65.15 (2) Unless otherwise required by the declaration, annual budgets need not include reserves
65.16 for the replacement of (i) components that a remaining useful life of more than 30 years,
65.17 or (ii) components whose replacement will be funded by assessments authorized under
65.18 section 515B.3-115(e)(1) or 515B.3-1151(e)(1), or approved in compliance with clause (5).

65.19 (3) The association shall keep the replacement reserves in an account or accounts separate
65.20 from the association's operating funds, and shall not use or borrow from the replacement
65.21 reserves to fund the association's operating expenses, provided that this restriction shall not
65.22 affect the association's authority to pledge the replacement reserves as security for a loan
65.23 to the association.

65.24 (4) The association shall reevaluate the adequacy of its budgeted replacement reserves
65.25 at least every third year after the recording of the declaration creating the common interest
65.26 community.

65.27 (5) Unless otherwise required by the declaration, after the termination of the period of
65.28 declarant control, and subject to approval by (i) the board, and (ii) unit owners, other than
65.29 the declarant or its affiliates, of units to which 51 percent of the votes in the association are
65.30 allocated, the association need not annually assess for replacement reserves to replace those
65.31 components whose replacement is planned to be paid for by special assessments, if the
65.32 declaration authorizes special assessments, or by assessments levied under section
65.33 515B.3-115(e)(2) or 515B.3-1151(e)(2). The approval provided for in the preceding sentence

66.1 shall be effective for no more than the association's current and three following fiscal years,
66.2 subject to modification or renewal by the same approval standards.

66.3 (6) Unless otherwise required by the declaration, subsection (a) shall not apply to a
66.4 common interest community which is restricted to nonresidential use.

66.5 (b) Unless the declaration provides otherwise, any surplus funds that the association has
66.6 remaining after payment of or provision for common expenses and reserves shall be (i)
66.7 credited to the unit owners to reduce their future common expense assessments or (ii)
66.8 credited to reserves, or any combination thereof, as determined by the board of directors.

66.9 (c) This section applies to common interest communities only for their fiscal years
66.10 commencing on or after January 1, 2012.

66.11 Sec. 27. Minnesota Statutes 2024, section 515B.3-1151, is amended to read:

66.12 **515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON**
66.13 **OR AFTER AUGUST 1, 2010.**

66.14 (a) The association shall approve an annual budget of common expenses at or prior to
66.15 the conveyance of the first unit in the common interest community to a purchaser and
66.16 annually thereafter. The annual budget shall include all customary and necessary operating
66.17 expenses and replacement reserves for the common interest community, consistent with
66.18 this section and section 515B.3-114 or 515B.3-1141, as applicable. For purposes of
66.19 replacement reserves under subsection (b), until an annual budget has been approved, the
66.20 reserves shall be paid based upon the budget contained in the disclosure statement required
66.21 by section ~~515B.4-102~~ 515B.4-1021(a)(23). The obligation of a unit owner to pay common
66.22 expenses shall be as follows:

66.23 (1) If a common expense assessment has not been levied by the association, the declarant
66.24 shall pay all common expenses of the common interest community, including the payment
66.25 of the replacement reserve component of the common expenses for all units in compliance
66.26 with subsection (b).

66.27 (2) If a common expense assessment has been levied by the association, all unit owners,
66.28 including the declarant, shall pay the assessments levied against their units, except as follows:

66.29 (i) The declaration may provide for an alternate common expense plan whereby the
66.30 declarant's common expense liability, and the corresponding assessment lien against the
66.31 units owned by the declarant, is limited to: (A) paying when due, in compliance with
66.32 subsection (b), an amount equal to the full share of the replacement reserves allocated to
66.33 units owned by the declarant, as set forth in the association's annual budget approved as

67.1 provided in this subsection; and (B) paying when due all accrued expenses of the common
67.2 interest community in excess of the aggregate assessments payable with respect to units
67.3 owned by persons other than a declarant; provided, that the alternate common expense plan
67.4 shall not affect a declarant's obligation to make up any operating deficit pursuant to item
67.5 (iv), and shall terminate upon the termination of any period of declarant control unless
67.6 terminated earlier pursuant to item (iii).

67.7 (ii) The alternate common expense plan may be authorized only by including in the
67.8 declaration and the disclosure statement required by section ~~515B.4-102~~ 515B.4-1021
67.9 provisions authorizing and disclosing the alternate common expense plan as described in
67.10 item (i), and including in the disclosure statement either (A) a statement that the alternate
67.11 common expense plan will have no effect on the level of services or amenities anticipated
67.12 by the association's budget contained in the disclosure statement, or (B) a statement
67.13 describing how the services or amenities may be affected.

67.14 (iii) A declarant shall give notice to the association of its intent to utilize the alternate
67.15 common expense plan and a commencement date after the date the notice is given. The
67.16 alternate common expense plan shall be valid only for periods after the notice is given. A
67.17 declarant may terminate its right to utilize the alternate common expense plan prior to the
67.18 termination of the period of declarant control only by giving notice to the association and
67.19 the unit owners at least 30 days prior to a selected termination date set forth in the notice.

67.20 (iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause
67.21 to be prepared and delivered to the association, at the declarant's expense, within 90 days
67.22 after the termination of the period of declarant control, an audited balance sheet and profit
67.23 and loss statement certified to the association and prepared by an accountant having the
67.24 qualifications set forth in section 515B.3-121(b). The audit shall be binding on the declarant
67.25 and the association.

67.26 (v) If the audited profit and loss statement shows an accumulated operating deficit, the
67.27 declarant shall be obligated to make up the deficit within 15 days after delivery of the audit
67.28 to the association, and the association shall have a claim against the declarant for an amount
67.29 equal to the deficit until paid. A declarant who does not utilize an alternate common expense
67.30 plan is not liable to make up any operating deficit. If more than one declarant utilizes an
67.31 alternate common expense plan, all declarants who utilize the plan are jointly and severally
67.32 liable to the association for any operating deficit.

67.33 (vi) The existence and amount, if any, of the operating deficit shall be determined using
67.34 the accrual method of accounting applied as of the date of termination of the period of

68.1 declarant control, regardless of the accounting methodology previously used by the
68.2 association to maintain its accounts.

68.3 (vii) Unless approved by a vote of the unit owners other than the declarant and its
68.4 affiliates, the operating deficit shall not be made up, prior to the election by the unit owners
68.5 of a board of directors pursuant to section 515B.3-103(d), through the use of a special
68.6 assessment described in subsection (c) or by assessments described in subsections (e), (f),
68.7 and (g).

68.8 (viii) The use by a declarant of an alternate common expense plan shall not affect the
68.9 obligations of the declarant or the association as provided in the declaration, the bylaws, or
68.10 this chapter, or as represented in the disclosure statement required by section ~~515B.4-102~~
68.11 515B.4-1021, except as to matters authorized by this chapter.

68.12 (b) The replacement reserves required by section 515B.3-114 or 515B.3-1141, as
68.13 applicable, shall be paid to the association by each unit owner for each unit owned by that
68.14 unit owner in accordance with the association's annual budget approved pursuant to
68.15 subsection (a), regardless of whether an annual assessment has been levied or whether the
68.16 declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement
68.17 reserves shall be paid with respect to a unit commencing as of the later of (1) the date of
68.18 creation of the common interest community or (2) the date that the structure and exterior
68.19 of the building containing the unit, or the structure and exterior of any building located
68.20 within the unit boundaries, but excluding the interior finishing of the structure itself, are
68.21 substantially completed. If the association has not approved an annual budget as of the
68.22 commencement date for the payment of replacement reserves, then the reserves shall be
68.23 paid based upon the budget contained in the disclosure statement required by section
68.24 ~~515B.4-102~~ 515B.4-1021.

68.25 (c) After an assessment has been levied by the association, assessments shall be levied
68.26 at least annually, based upon an annual budget approved by the association. In addition to
68.27 and not in lieu of annual assessments, an association may, if so provided in the declaration,
68.28 levy special assessments against all units in the common interest community based upon
68.29 the same formula required by the declaration for levying annual assessments. Special
68.30 assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to
68.31 replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures
68.32 or operating expenses, or (4) to replace certain components of the common interest
68.33 community described in section ~~515B.3-114(a)~~ 515B.3-1141(a), if such alternative method
68.34 of funding is approved under section ~~515B.3-114(a)(5)~~ 515B.3-1141(a)(5). The association
68.35 may also levy assessments against fewer than all units as provided in subsections (e), (f),

69.1 and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the
69.2 requirements of section 515B.3-1141(a)(5).

69.3 (d) Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common
69.4 expenses shall be assessed against all the units in accordance with the allocations established
69.5 by the declaration pursuant to section 515B.2-108.

69.6 (e) Unless otherwise required by the declaration:

69.7 (1) any common expense associated with the maintenance, repair, or replacement of a
69.8 limited common element shall be assessed against the units to which that limited common
69.9 element is assigned, equally, or in any other proportion the declaration provides;

69.10 (2) any common expense or portion thereof benefiting fewer than all of the units may
69.11 be assessed exclusively against the units benefited, equally, or in any other proportion the
69.12 declaration provides;

69.13 (3) the costs of insurance may be assessed in proportion to risk or coverage, and the
69.14 costs of utilities may be assessed in proportion to usage;

69.15 (4) subject to section 515B.3-102(a)(11), reasonable attorney fees and costs incurred by
69.16 the association in connection with (i) the collection of assessments, and (ii) the enforcement
69.17 of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit
69.18 owner, may be assessed against the unit owner's unit, subject to section 515B.3-116(h); and

69.19 (5) fees, charges, late charges, fines, and interest may be assessed as provided in section
69.20 515B.3-116(a).

69.21 (f) Assessments levied under section 515B.3-116 to pay a judgment against the association
69.22 may be levied only against the units in the common interest community at the time the
69.23 judgment was entered, in proportion to their common expense liabilities.

69.24 (g) If any damage to the common elements or another unit is caused by the act or omission
69.25 of any unit owner, or occupant of a unit, or their invitees, the association may assess the
69.26 costs of repairing the damage exclusively against the unit owner's unit to the extent not
69.27 covered by insurance.

69.28 (h) Subject to any shorter period specified by the declaration or bylaws, if any installment
69.29 of an assessment becomes more than 60 days past due, then the association may, upon ten
69.30 days' written notice to the unit owner, declare the entire amount of the assessment
69.31 immediately due and payable in full, except that any portion of the assessment that represents
69.32 installments that are not due and payable without acceleration as of the date of reinstatement

70.1 must not be included in the amount that a unit owner must pay to reinstate under section
70.2 580.30 or chapter 581.

70.3 (i) If common expense liabilities are reallocated for any purpose authorized by this
70.4 chapter, common expense assessments and any installment thereof not yet due shall be
70.5 recalculated in accordance with the reallocated common expense liabilities.

70.6 (j) An assessment against fewer than all of the units must be levied within three years
70.7 after the event or circumstances forming the basis for the assessment, or shall be barred.

70.8 (k) This section applies only to common interest communities created on or after August
70.9 1, 2010.

70.10 Sec. 28. Minnesota Statutes 2024, section 515B.3-116, is amended to read:

70.11 **515B.3-116 LIEN FOR ASSESSMENTS.**

70.12 (a) The association has a lien on a unit for any assessment levied against that unit from
70.13 the time the assessment becomes due. If an assessment is payable in installments, the full
70.14 amount of the assessment is a lien from the time the first installment thereof becomes due.
70.15 Unless the declaration otherwise provides, fees, charges, late charges, fines and interest
70.16 charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable
70.17 as assessments, under this section. Recording of the declaration constitutes record notice
70.18 and perfection of any assessment lien under this section, and no further recording of any
70.19 notice of or claim for the lien is required.

70.20 (b) Subject to subsection (c), a lien under this section is prior to all other liens and
70.21 encumbrances on a unit except (i) liens and encumbrances recorded before the declaration
70.22 and, in a cooperative, liens and encumbrances which the association creates, assumes, or
70.23 takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or,
70.24 in a cooperative, any first security interest encumbering only the unit owner's interest in the
70.25 unit, (iii) liens for real estate taxes and other governmental assessments or charges against
70.26 the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection
70.27 shall not affect the priority of mechanic's liens.

70.28 (c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June
70.29 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems
70.30 pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the
70.31 foreclosure of the first mortgage or any person who acquires title to the unit by redemption
70.32 as a junior creditor shall take title to the unit subject to a lien in favor of the association for
70.33 unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)

71.1 to (3), (f), and (i) and 515B.3-1151(a), (e)(1) to (3), (f), and (i) which became due, without
71.2 acceleration, during the six months immediately preceding the end of the owner's period of
71.3 redemption. The common expenses shall be based upon the association's then current annual
71.4 budget, notwithstanding the use of an alternate common expense plan under section
71.5 515B.3-115(a)(2) or 515B.3-1151(a)(2). If a first security interest encumbering a unit owner's
71.6 interest in a cooperative unit which is personal property is foreclosed, the secured party or
71.7 the purchaser at the sale shall take title to the unit subject to unpaid assessments for common
71.8 expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) and
71.9 515B.3-1151(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during
71.10 the six months immediately preceding the first day following either the disposition date
71.11 pursuant to section 336.9-610 or the date on which the obligation of the unit owner is
71.12 discharged pursuant to section 336.9-622.

71.13 (d) Proceedings to enforce an assessment lien shall be instituted within three years after
71.14 the last installment of the assessment becomes payable, or shall be barred.

71.15 (e) The unit owner of a unit at the time an assessment is due shall be personally liable
71.16 to the association for payment of the assessment levied against the unit. If there are multiple
71.17 owners of the unit, they shall be jointly and severally liable.

71.18 (f) This section does not prohibit actions to recover sums for which subsection (a) creates
71.19 a lien nor prohibit an association from taking a deed in lieu of foreclosure.

71.20 (g) The association shall furnish to a unit owner or the owner's authorized agent upon
71.21 written request of the unit owner or the authorized agent a statement setting forth the amount
71.22 of unpaid assessments currently levied against the owner's unit. If the unit owner's interest
71.23 is real estate, the statement shall be in recordable form. The statement shall be furnished
71.24 within ten business days after receipt of the request and is binding on the association and
71.25 every unit owner.

71.26 (h) The association's lien may be foreclosed as provided in this subsection.

71.27 (1) In a condominium or planned community, the association's lien may be foreclosed
71.28 in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by
71.29 action pursuant to chapter 581. The association shall have a power of sale to foreclose the
71.30 lien pursuant to chapter 580, except that any portion of the assessment that represents
71.31 attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate
71.32 under section 580.30 or chapter 581.

72.1 (2) In a cooperative whose unit owners' interests are real estate, the association's lien
 72.2 shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
 72.3 (1).

72.4 (3) In a cooperative whose unit owners' interests in the units are personal property, the
 72.5 association's lien shall be foreclosed in a like manner as a security interest under article 9
 72.6 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to
 72.7 sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
 72.8 by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner
 72.9 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its
 72.10 reasonable costs and attorney fees not exceeding the amount provided by section 582.01,
 72.11 subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate
 72.12 consideration for the unit subject to disposition or retention, notwithstanding the value of
 72.13 the unit, and (iv) the notice of sale, disposition, or retention shall contain the following
 72.14 statement in capital letters with the name of the association or secured party filled in:

72.15 "THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or
 72.16 secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES,
 72.17 CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE
 72.18 REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL
 72.19 TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS
 72.20 BEFORE THEN:

72.21 (a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party)
 72.22 AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM
 72.23 YOU:

72.24 (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

72.25 (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

72.26 (3) \$500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR
 72.27 INCURRED; PLUS

72.28 (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill
 72.29 in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

72.30 (b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
 72.31 FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
 72.32 CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR

73.1 SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
73.2 GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

73.3 IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
73.4 THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
73.5 YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
73.6 ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
73.7 RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
73.8 ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL
73.9 BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
73.10 AN ATTORNEY IMMEDIATELY."

73.11 (4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
73.12 be the same as those provided by law, except (i) the period of redemption for unit owners
73.13 shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
73.14 foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
73.15 costs and disbursements of foreclosure and attorney fees authorized by the declaration or
73.16 bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a
73.17 foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and
73.18 disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the
73.19 amount of the association's lien shall be deemed to be adequate consideration for the unit
73.20 subject to foreclosure, notwithstanding the value of the unit.

73.21 (i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of
73.22 redemption, pays any past due or current assessments, or any other charges lienable as
73.23 assessments, with respect to the unit described in the sheriff's certificate, then the amount
73.24 paid shall be a part of the sum required to be paid to redeem under section 582.03.

73.25 (j) In a cooperative, if the unit owner fails to redeem before the expiration of the
73.26 redemption period in a foreclosure of the association's assessment lien, the association may
73.27 bring an action for eviction against the unit owner and any persons in possession of the unit,
73.28 and in that case section 504B.291 shall not apply.

73.29 (k) An association may assign its lien rights in the same manner as any other secured
73.30 party.

74.1 Sec. 29. Minnesota Statutes 2024, section 515B.4-101, is amended to read:

74.2 **515B.4-101 APPLICABILITY; DELIVERY OF DISCLOSURE STATEMENT.**

74.3 (a) Sections 515B.4-101 through 515B.4-118 apply to all units subject to this chapter,
74.4 except as provided in subsection (c) or as modified or waived by written agreement of
74.5 purchasers of a unit which is restricted to nonresidential use.

74.6 (b) Subject to subsections (a) and (c), a declarant who offers a unit to a purchaser shall
74.7 deliver to the purchaser a current disclosure statement which complies with the requirements
74.8 of section 515B.4-102 or 515B.4-1021, as applicable. The disclosure statement shall include
74.9 any material amendments to the disclosure statement made prior to the conveyance of the
74.10 unit to the purchaser. The declarant shall be liable to the purchaser to whom it delivered the
74.11 disclosure statement for any false or misleading statement set forth therein or for any omission
74.12 of a material fact therefrom.

74.13 (c) Neither a disclosure statement nor a resale disclosure certificate need be prepared or
74.14 delivered in the case of:

74.15 (1) a gratuitous transfer;

74.16 (2) a transfer pursuant to a court order;

74.17 (3) a transfer to a government or governmental agency;

74.18 (4) a transfer to a secured party by foreclosure or deed in lieu of foreclosure;

74.19 (5) an option to purchase a unit, until exercised;

74.20 (6) a transfer to a person who "controls" or is "controlled by," the grantor as those terms
74.21 are defined with respect to a declarant under section 515B.1-103(2);

74.22 (7) a transfer by inheritance;

74.23 (8) a transfer of special declarant rights under section 515B.3-104 or 515B.3-1041; or

74.24 (9) a transfer in connection with a change of form of common interest community under
74.25 section 515B.2-123.

74.26 (d) A purchase agreement for a unit shall contain the following notice: "The following
74.27 notice is required by Minnesota Statutes. The purchaser is entitled to receive a disclosure
74.28 statement or resale disclosure certificate, as applicable. The disclosure statement or resale
74.29 disclosure certificate contains important information regarding the common interest
74.30 community and the purchaser's cancellation rights."

75.1 (e) The sale, to the initial occupant, of a platted lot or other parcel of real estate (i) which
 75.2 is or may be subject to a master declaration, (ii) which is intended for residential occupancy,
 75.3 and (iii) which does not and is not intended to constitute a unit, shall be subject to the
 75.4 following requirements:

75.5 (1) The purchase agreement for the lot or other parcel shall contain the following notice:
 75.6 "The following notice is required by Minnesota Statutes: The real estate to be conveyed
 75.7 under this agreement is or may be subject to a master association as defined in Minnesota
 75.8 Statutes, chapter 515B. The master developer is required to provide to the buyer, within ten
 75.9 days after receipt of a request from the buyer or the buyer's authorized representative, a
 75.10 statement containing the information required by Minnesota Statutes, section
 75.11 515B.4-102(a)(20) or 515B.4-1021(a)(20), as applicable, with respect to the master
 75.12 association. The statement contains important information regarding the master association.
 75.13 The name, address, and telephone number of the master developer are [insert information]."

75.14 (2) A master developer shall, within ten days after receipt of a request described in clause
 75.15 (1), furnish to the requesting person the information required to be provided by section
 75.16 515B.4-102(a)(20) or 515B.4-1021(a)(20), as applicable.

75.17 (f) A claim by a buyer based upon a failure to comply with subsection (e):

75.18 (1) shall be limited to legal, and not equitable, remedies; or

75.19 (2) shall be barred unless it is commenced within the time period specified in section
 75.20 515B.4-115(a) or 515B.4-1152(a), as applicable.

75.21 Sec. 30. Minnesota Statutes 2024, section 515B.4-102, is amended to read:

75.22 **515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC**
 75.23 **CREATED BEFORE AUGUST 1, 2010.**

75.24 (a) A disclosure statement shall fully and accurately disclose:

75.25 (1) the name and, if available, the number of the common interest community;

75.26 (2) the name and principal address of the declarant;

75.27 (3) the number of units which the declarant has the right to include in the common
 75.28 interest community and a statement that the common interest community is either a
 75.29 condominium, cooperative, or planned community;

75.30 (4) a general description of the common interest community, including, at a minimum,
 75.31 (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of
 75.32 construction, (iv) whether the common interest community involves new construction or

76.1 rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose,
76.2 before it was added to the common interest community and the nature of the occupancy,
76.3 and (vi) a general description of any roads, trails, or utilities that are located on the common
76.4 elements and that the association or a master association will be required to maintain;

76.5 (4a) copies of the initial maintenance plan, initial maintenance schedule, and initial
76.6 maintenance budget described in section 515B.3-107(b);

76.7 (5) declarant's schedule of commencement and completion of construction of any
76.8 buildings and other improvements that the declarant is obligated to build pursuant to section
76.9 515B.4-117;

76.10 (6) any expenses or services, not reflected in the budget, that a declarant pays or provides,
76.11 which may become a common expense; the projected common expense attributable to each
76.12 of those expenses or services; and an explanation of declarant's limited assessment liability
76.13 under section 515B.3-115(b);

76.14 (7) any initial or special fee due from the purchaser to the declarant or the association
76.15 at closing, together with a description of the purpose and method of calculating the fee;

76.16 (8) identification of any liens, defects, or encumbrances which will continue to affect
76.17 the title to a unit or to any real property owned by the association after the contemplated
76.18 conveyance;

76.19 (9) a description of any financing offered or arranged by the declarant;

76.20 (10) a statement as to whether application has been made for any project approvals for
76.21 the common interest community from the Federal National Mortgage Association (FNMA),
76.22 Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban
76.23 Development (HUD) or Department of Veterans Affairs (VA), and which, if any, such final
76.24 approvals have been received;

76.25 (11) the terms of any warranties provided by the declarant, including copies of sections
76.26 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a
76.27 statement of any limitations on the enforcement of the applicable warranties or on damages;

76.28 (12) a statement that: (i) within ten days after the receipt of a disclosure statement, a
76.29 purchaser may cancel any contract for the purchase of a unit from a declarant; provided,
76.30 that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance
76.31 of the unit from the declarant or by the purchaser agreeing to modify or waive the right to
76.32 cancel in the manner provided by section 515B.4-106(a); (ii) if a purchaser receives a
76.33 disclosure statement more than ten days before signing a purchase agreement, the purchaser

77.1 cannot cancel the purchase agreement; and (iii) if a declarant obligated to deliver a disclosure
77.2 statement fails to deliver a disclosure statement which substantially complies with this
77.3 chapter to a purchaser to whom a unit is conveyed, the declarant shall be liable to the
77.4 purchaser as provided in section 515B.4-106(d);

77.5 (13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's
77.6 actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which
77.7 the association is a party, and the status of those lawsuits which are material to the common
77.8 interest community or the unit being purchased;

77.9 (14) a statement (i) describing the conditions under which earnest money will be held
77.10 in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the
77.11 earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant
77.12 to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

77.13 (15) a detailed description of the insurance coverage provided by the association for the
77.14 benefit of unit owners, including a statement as to which, if any, of the items referred to in
77.15 section ~~515B.3-113, subsection (b)~~ 515B.3-113(b), are insured by the association;

77.16 (16) any current or expected fees or charges, other than assessments for common
77.17 expenses, to be paid by unit owners for the use of the common elements or any other
77.18 improvements or facilities;

77.19 (17) the financial arrangements, including any contingencies, which have been made to
77.20 provide for completion of all improvements that the declarant is obligated to build pursuant
77.21 to section 515B.4-118, or a statement that no such arrangements have been made;

77.22 (18) in a cooperative: (i) whether the unit owners will be entitled for federal and state
77.23 tax purposes, to deduct payments made by the association for real estate taxes and interest
77.24 paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to
77.25 the effect on the unit owners if the association fails to pay real estate taxes or payments due
77.26 the holder of a security interest encumbering the cooperative; and (iii) the principal amount
77.27 and a general description of the terms of any blanket mortgage, contract for deed, or other
77.28 blanket security instrument encumbering the cooperative property;

77.29 (19) a statement: (i) that real estate taxes for the unit or any real property owned by the
77.30 association are not delinquent or, if there are delinquent real estate taxes, describing the
77.31 property for which the taxes are delinquent, stating the amount of the delinquent taxes,
77.32 interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting
77.33 forth the amount of real estate taxes, including the amount of any special assessment certified
77.34 for payment with the real estate taxes, due and payable with respect to the unit in the year

78.1 in which the disclosure statement is given, if real estate taxes have been separately assessed
78.2 against the unit;

78.3 (20) if the association or the purchaser of the unit will be a member of a master
78.4 association, a statement to that effect, and all of the following information with respect to
78.5 the master association: (i) a copy of the master declaration, the articles of incorporation,
78.6 bylaws, and rules and regulations for the master association, together with any amendments
78.7 thereto; (ii) the name, address and general description of the master association, including
78.8 a general description of any other association, unit owners, or other persons which are or
78.9 may become members; (iii) a description of any nonresidential use permitted on any property
78.10 subject to the master association; (iv) a statement as to the estimated maximum number of
78.11 associations, unit owners or other persons which may become members of the master
78.12 association, and the degree and period of control of the master association by a declarant
78.13 or other person; (v) a description of any facilities intended for the benefit of the members
78.14 of the master association and not located on property owned or controlled by a member or
78.15 the master association; (vi) the financial arrangements, including any contingencies, which
78.16 have been made to provide for completion of the facilities referred to in subsection (v), or
78.17 a statement that no arrangements have been made; (vii) any current balance sheet of the
78.18 master association and a projected or current annual budget, as applicable, which budget
78.19 shall include with respect to the master association those items in paragraph (23), clauses
78.20 (i) through (iii), and the projected monthly common expense assessment for each type of
78.21 unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;
78.22 (viii) a description of any expenses or services not reflected in the budget, paid for or
78.23 provided by a declarant or a person executing the master declaration, which may become
78.24 an expense of the master association in the future; (ix) a description of any powers delegated
78.25 to and accepted by the master association pursuant to section ~~515B.2-121(f)(2)~~
78.26 515B.2-121(e)(2); (x) identification of any liens, defects or encumbrances that will continue
78.27 to affect title to property owned or operated by the master association for the benefit of its
78.28 members; (xi) the terms of any warranties provided by any person for construction of
78.29 facilities in which the members of the master association have or may have an interest, and
78.30 any known defects in the facilities which would violate the standards described in section
78.31 515B.4-112(b); (xii) a statement disclosing, after inquiry of the master association, any
78.32 unsatisfied judgments or lawsuits to which the master association is a party, and the status
78.33 of those lawsuits which are material to the master association; (xiii) a description of any
78.34 insurance coverage provided for the benefit of its members by the master association; and
78.35 (xiv) any current or expected fees or charges, other than assessments by the master

79.1 association, to be paid by members of the master association for the use of any facilities
79.2 intended for the benefit of the members;

79.3 (21) a statement as to whether the unit will be substantially completed at the time of
79.4 conveyance to a purchaser, and if not substantially completed, who is responsible to complete
79.5 and pay for the construction of the unit;

79.6 (22) a copy of the declaration and any amendments thereto (exclusive of the CIC plat);
79.7 any other recorded covenants, conditions, restrictions, or reservations affecting the common
79.8 interest community; the articles of incorporation, bylaws and any rules or regulations of the
79.9 association; any agreement excluding or modifying any implied warranties; any agreement
79.10 reducing the statute of limitations for the enforcement of warranties; any contracts or leases
79.11 to be signed by purchaser at closing; and a brief narrative description of any (i) contracts
79.12 or leases that are or may be subject to cancellation by the association under section
79.13 515B.3-105 and (ii) any material agreements entered into between the declarant and a
79.14 governmental entity that affect the common interest community; and

79.15 (23) a balance sheet for the association, current within 90 days; a projected annual budget
79.16 for the association; and a statement identifying the party responsible for the preparation of
79.17 the budget. The budget shall assume that all units intended to be included in the common
79.18 interest community, based upon the declarant's good faith estimate, have been subjected to
79.19 the declaration; provided, that additional budget portrayals based upon a lesser number of
79.20 units are permitted. The budget shall include, without limitation: (i) a statement of the
79.21 amount included in the budget as a reserve for replacement; (ii) a statement of any other
79.22 reserves; (iii) the projected common expense for each category of expenditures for the
79.23 association; (iv) the projected monthly common expense assessment for each type of unit;
79.24 and (v) a footnote or other reference to those components of the common interest community
79.25 the maintenance, repair, or replacement of which the budget assumes will be funded by
79.26 assessments under section 515B.3-115(e), rather than by assessments included in the
79.27 association's annual budget, and a statement referencing section 515B.3-115(e)(1) or (2),
79.28 as the source of funding. If, based upon the association's then current budget, the monthly
79.29 common expense assessment for the unit at the time of conveyance to the purchaser is
79.30 anticipated to exceed the monthly assessment stated in the budget, a statement to such effect
79.31 shall be included.

79.32 (b) A declarant shall promptly amend the disclosure statement to reflect any material
79.33 change in the information required by this chapter.

80.1 (c) The master association, within ten days after a request by a declarant, a holder of
 80.2 declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized
 80.3 representative of any of them, shall furnish the information required to be provided by
 80.4 subsection (a)(20). A declarant or other person who provides information pursuant to
 80.5 subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant
 80.6 or other person: (i) is not an affiliate of or related in any way to a person authorized to
 80.7 appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no
 80.8 actual knowledge that the information is incorrect.

80.9 (d) This section applies only to common interest communities created before August 1,
 80.10 2010.

80.11 Sec. 31. Minnesota Statutes 2024, section 515B.4-1021, is amended to read:

80.12 **515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC**
 80.13 **CREATED ON OR AFTER AUGUST 1, 2010.**

80.14 (a) A disclosure statement shall fully and accurately disclose:

80.15 (1) the name and, if available, the number of the common interest community;

80.16 (2) the name and principal address of each declarant holding any special declarant rights;
 80.17 a description of the special declarant rights held by each declarant; a description of the units
 80.18 or additional real estate to which the respective special declarant rights apply; and a copy
 80.19 of any recorded transfer of special declarant rights pursuant to section ~~515B.3-104(a)~~
 80.20 515B.3-1041(a), or any instrument recorded pursuant to section ~~515B.3-104(b)~~
 80.21 515B.3-1041(b), (g), or (h);

80.22 (3) the total number of units which all declarants have the right to include in the common
 80.23 interest community and a statement that the common interest community is either a
 80.24 condominium, cooperative, or planned community;

80.25 (4) a general description of the common interest community, including, at a minimum;
 80.26 (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of
 80.27 construction, (iv) whether the common interest community involves new construction or
 80.28 rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose,
 80.29 before it was added to the common interest community, and the nature of the occupancy,
 80.30 (vi) a general description of any roads, trails, or utilities that are located on the common
 80.31 elements and that the association or master association will be required to maintain, and
 80.32 (vii) a description of any declarant licensing rights under section 515B.2-109(e), ~~and (viii)~~;

81.1 (4a) copies of the initial maintenance plan, initial maintenance schedule, and initial
81.2 maintenance budget under described in section 515B.3-107(b). For common interest
81.3 communities created on or after August 1, 2017, the initial maintenance plan prepared by
81.4 the declarant must be based on the best available information listing all building elements
81.5 to which the plan will apply and the generally accepted standards of maintenance on which
81.6 the plan is based. The initial plan must be dated and signed by the declarant and be fully
81.7 funded by the initial budget provided by the declarant;

81.8 (5) declarant's schedule of commencement and completion of construction of any
81.9 buildings and other improvements that the declarant is obligated to build pursuant to section
81.10 515B.4-117;

81.11 (6) any expenses or services, not reflected in the budget, that the declarant pays or
81.12 provides, which may become a common expense; the projected common expense attributable
81.13 to each of those expenses or services; a description of any alternate common expense plan
81.14 under section ~~515B.3-115(a)(2)(i)~~ 515B.3-1151(a)(2)(i); and, if the declaration provides
81.15 for an alternate common expense plan, either (i) a statement that the alternate common
81.16 expense plan will have no effect on the level of services or amenities anticipated by the
81.17 association's budget or disclosed in the disclosure statement, or (ii) a statement describing
81.18 how the services or amenities may be affected;

81.19 (7) any initial or special fee due from the purchaser to the declarant or the association
81.20 at closing, together with a description of the purpose and method of calculating the fee;

81.21 (8) identification of any liens, defects, or encumbrances which will continue to affect
81.22 the title to a unit or to any real property owned by the association after the contemplated
81.23 conveyance;

81.24 (9) a description of any financing offered or arranged by the declarant;

81.25 (10) a statement as to whether application has been made for any project approvals for
81.26 the common interest community from the Federal National Mortgage Association (FNMA),
81.27 Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban
81.28 Development (HUD), or Department of Veterans Affairs (VA), and which, if any, such
81.29 final approvals have been received;

81.30 (11) the terms of any warranties provided by the declarant, including copies of sections
81.31 515B.4-112 to ~~515B.4-115~~ 515B.4-114 and either 515B.4-1151 or 515B.4-1152, as
81.32 applicable, and any other applicable statutory warranties, and a statement of any limitations
81.33 on the enforcement of the applicable warranties or on damages;

82.1 (12) a statement that:

82.2 (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel
82.3 any contract for the purchase of a unit from a declarant; provided, that the right to cancel
82.4 terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the
82.5 declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner
82.6 provided by section 515B.4-106(a);

82.7 (ii) if a purchaser receives a disclosure statement more than ten days before signing a
82.8 purchase agreement, the purchaser cannot cancel the purchase agreement; and

82.9 (iii) if a declarant obligated to deliver a disclosure statement fails to deliver a disclosure
82.10 statement which substantially complies with this chapter to a purchaser to whom a unit is
82.11 conveyed, the declarant shall be liable to the purchaser as provided in section 515B.4-106(d);

82.12 (13) a statement disclosing to the extent of the declarant's or an affiliate of a declarant's
82.13 actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which
82.14 the association is a party, and the status of those lawsuits which are material to the common
82.15 interest community or the unit being purchased;

82.16 (14) a statement (i) describing the conditions under which earnest money will be held
82.17 in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the
82.18 earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant
82.19 to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

82.20 (15) a detailed description of the insurance coverage provided by the association for the
82.21 benefit of unit owners, including a statement as to which, if any, of the items referred to in
82.22 section 515B.3-113(b), are insured by the association;

82.23 (16) any current or expected fees or charges, other than assessments for common
82.24 expenses, to be paid by unit owners for the use of the common elements or any other
82.25 improvements or facilities;

82.26 (17) the financial arrangements, including any contingencies, which have been made to
82.27 provide for completion of all improvements that the declarant is obligated to build pursuant
82.28 to section 515B.4-118, or a statement that no such arrangements have been made;

82.29 (18) in a cooperative:

82.30 (i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct
82.31 payments made by the association for real estate taxes and interest paid to the holder of a
82.32 security interest encumbering the cooperative;

83.1 (ii) a statement as to the effect on the unit owners if the association fails to pay real estate
83.2 taxes or payments due the holder of a security interest encumbering the cooperative; and

83.3 (iii) the principal amount and a general description of the terms of any blanket mortgage,
83.4 contract for deed, or other blanket security instrument encumbering the cooperative property;

83.5 (19) a statement:

83.6 (i) that real estate taxes for the unit or any real property owned by the association are
83.7 not delinquent or, if there are delinquent real estate taxes, describing the property for which
83.8 the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties,
83.9 and stating the years for which taxes are delinquent; and

83.10 (ii) setting forth the amount of real estate taxes, including the amount of any special
83.11 assessment certified for payment with the real estate taxes, due and payable with respect to
83.12 the unit in the year in which the disclosure statement is given, if real estate taxes have been
83.13 separately assessed against the unit;

83.14 (20) if the unit or other parcel of real estate being purchased is or may be subject to a
83.15 master declaration at the time of the conveyance from the declarant to the purchaser, a
83.16 statement to that effect, and all of the following information with respect to the master
83.17 association:

83.18 (i) copies of the following documents (which may be in proposed form if the master
83.19 declaration has not been recorded): the master declaration, the articles of incorporation,
83.20 bylaws, and rules and regulations for the master association, together with any amendments
83.21 thereto;

83.22 (ii) the name and address of the master developer, and the name, address, and general
83.23 description of the master association, including a general description of any other association,
83.24 unit owners, or other persons which are or may become members;

83.25 (iii) a description of any nonresidential use permitted on any property subject to the
83.26 master declaration;

83.27 (iv) a statement as to the estimated maximum number of associations, unit owners, or
83.28 other persons which may become members of the master association, and a description of
83.29 any period of control of the master association and rights to appoint master association
83.30 directors by a master developer or other person pursuant to section 515B.2-121(c);

83.31 (v) a description of any facilities intended for the benefit of the members of the master
83.32 association and not located on property owned or controlled by a member of the master
83.33 association;

84.1 (vi) the financial arrangements, including any contingencies, which have been made to
84.2 provide for completion of the facilities referred to in subsection (v), or a statement that no
84.3 arrangements have been made;

84.4 (vii) any current balance sheet of the master association and a projected or current annual
84.5 budget, as applicable, which budget shall include with respect to the master association
84.6 those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other
84.7 periodic common expense assessment payment for each type of unit, lot, or other parcel of
84.8 real estate which is or is planned to be subject to assessment;

84.9 (viii) a description of any expenses or services not reflected in the budget, paid for or
84.10 provided by a master developer or another person executing the master declaration, which
84.11 may become an expense of the master association in the future;

84.12 (ix) a description of any powers delegated to and accepted by the master association
84.13 pursuant to section 515B.2-121(e)(2);

84.14 (x) identification of any liens, defects, or encumbrances that will continue to affect title
84.15 to property owned or operated by the master association for the benefit of its members;

84.16 (xi) the terms of any warranties provided by any person for construction of facilities in
84.17 which the members of the master association have or may have an interest, and any known
84.18 defects in the facilities which would violate the standards described in section
84.19 515B.4-113(b)(2);

84.20 (xii) a statement disclosing, after inquiry of the master association, any unsatisfied
84.21 judgments or lawsuits to which the master association is a party, and the status of those
84.22 lawsuits which are material to the master association;

84.23 (xiii) a description of any insurance coverage provided for the benefit of its members
84.24 by the master association; and

84.25 (xiv) any current or expected fees or charges, other than assessments by the master
84.26 association, to be paid by members of the master association for the use of any facilities
84.27 intended for the benefit of the members;

84.28 (21) a statement as to whether the unit will be substantially completed at the time of
84.29 conveyance to a purchaser, and, if not substantially completed, who is responsible to complete
84.30 and pay for the construction of the unit;

84.31 (22) copies of the following documents (which may be in proposed form if the declaration
84.32 has not been recorded): the declaration and any supplemental declaration, and any
84.33 amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions,

85.1 restrictions, and reservations affecting the common interest community; the articles of
85.2 incorporation, bylaws, and any rules or regulations of the association; the names of the
85.3 current members of the association's board of directors; any agreement excluding or
85.4 modifying any implied warranties; any agreement reducing the statute of limitations for the
85.5 enforcement of warranties; any contracts or leases to be signed by the purchaser at closing;
85.6 and a description of any material contracts, leases, or other agreements affecting the common
85.7 interest community; and

85.8 (23) a balance sheet for the association, following the creation of the association, current
85.9 within 90 days; a projected annual budget for the association; and a statement identifying
85.10 the party responsible for the preparation of the budget. The budget shall assume that all
85.11 units intended to be included in the common interest community, based upon the declarant's
85.12 good faith estimate, have been subjected to the declaration; provided, that additional budget
85.13 portrayals based upon a lesser number of units are permitted. The budget shall include,
85.14 without limitation:

85.15 (i) a statement of the amount included in the budget as a reserve for replacement, the
85.16 components of the common interest community for which the reserves are budgeted, and
85.17 the amounts of the reserves, if any, that are allocated for the replacement of each of those
85.18 components;

85.19 (ii) a statement of any other reserves;

85.20 (iii) the projected common expense for each category of expenditures for the association;

85.21 (iv) the projected monthly common expense assessment for each type of unit; and

85.22 (v) a statement as to the components of the common interest community whose
85.23 replacement will be funded by assessments under section ~~515B.3-115(e)~~ 515B.3-1151(c)
85.24 or (e), rather than by replacement reserves as approved pursuant to section ~~515B.3-114(a)~~
85.25 515B.3-1141(a). If, based upon the association's then-current budget, the monthly common
85.26 expense assessment for the unit at the time of conveyance to the purchaser is anticipated to
85.27 exceed the monthly assessment stated in the budget, a statement to such effect shall be
85.28 included.

85.29 (b) A declarant shall promptly amend the disclosure statement to reflect any material
85.30 change in the information required by this chapter.

85.31 (c) The master association, within ten days after a request by a declarant, a holder of
85.32 declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized
85.33 representative of any of them, shall furnish the information required to be provided by

86.1 subsection (a)(20). A declarant or other person who provides information pursuant to
86.2 subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant
86.3 or other person: (i) is not an affiliate of or related in any way to a person authorized to
86.4 appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no
86.5 actual knowledge that the information is incorrect.

86.6 (d) This section applies only to common interest communities created on or after August
86.7 1, 2010.

86.8 Sec. 32. Minnesota Statutes 2024, section 515B.4-103, is amended to read:

86.9 **515B.4-103 COMMON INTEREST COMMUNITIES SUBJECT TO RIGHTS TO**
86.10 **ADD ADDITIONAL REAL ESTATE.**

86.11 If the declaration provides that a common interest community is subject to any rights to
86.12 add additional real estate:

86.13 (1) the disclosure statement shall include the following notice:

86.14 "The following notice is required by Minnesota Statutes. The declarant has reserved in
86.15 the declaration certain rights to add additional real estate. These rights allow a declarant to
86.16 add units or common elements to a common interest community, and to make other changes
86.17 to the community over a specified period of time. These changes may have a substantial
86.18 effect upon the units or rights of unit owners, by changing relative voting power and share
86.19 of common expenses, by increasing the number of persons using the common elements, by
86.20 altering the size and appearance of the common interest community and by making other
86.21 changes which may affect the value or utility of the units. A purchaser of units in this
86.22 common interest community should consider the possible effects of the declarant's rights
86.23 reserved for this project"; and

86.24 (2) the disclosure statement shall include, in addition to the information required by
86.25 section 515B.4-102 or 515B.4-1021, as applicable, a statement referencing the provisions
86.26 of the declaration where rights to add additional real estate are reserved.

86.27 Sec. 33. Minnesota Statutes 2024, section 515B.4-104, is amended to read:

86.28 **515B.4-104 TIME SHARES.**

86.29 If the declaration permits time shares, the disclosure statement shall contain or disclose,
86.30 in addition to the information required by sections 515B.4-102 or 515B.4-1021, as applicable,
86.31 and 515B.4-103:

86.32 (1) the unit identifiers of the units in which time shares may be created;

- 87.1 (2) the total number of time shares that may be created;
- 87.2 (3) the minimum duration of any time shares that may be created;
- 87.3 (4) the extent to which the creation of time shares will or may affect the enforceability
87.4 of the association's lien for assessments provided in section 515B.3-116;
- 87.5 (5) a statement as to whether the time share interest is a fixed time period in a designated
87.6 unit or if either the time period or unit may vary;
- 87.7 (6) copies of all organizational documents, contracts, leases and other documents affecting
87.8 the time share association or the time shares, or the purchaser's rights therein;
- 87.9 (7) any state or federal ruling or nonaction letter regarding the classification of the time
87.10 shares as a security or a statement that there is no ruling or nonaction letter;
- 87.11 (8) a statement as to whether the time share is registered with the state under the
87.12 Subdivided Land Sales Act or with the federal government under the Interstate Land Sales
87.13 Act and, if the time share is so registered, a copy of the public offering statement or other
87.14 disclosure document required by those acts; and
- 87.15 (9) if the time share owners are to be permitted or required to become members of or to
87.16 participate in a program for the exchange of occupancy rights among themselves or with
87.17 the owners of time shares in other projects or both, a general description of the program.

87.18 Sec. 34. Minnesota Statutes 2024, section 515B.4-105, is amended to read:

87.19 **515B.4-105 COMMON INTEREST COMMUNITY WITH BUILDING ONCE**
87.20 **OCCUPIED.**

87.21 The disclosure statement for a common interest community containing any building that
87.22 was at any time before the creation of the common interest community wholly or partially
87.23 occupied, for any purpose, by persons other than purchasers or persons who occupied with
87.24 the consent of purchasers, shall contain, in addition to the information required by sections
87.25 515B.4-102 or 515B.4-1021, as applicable, 515B.4-103, and 515B.4-104:

- 87.26 (1) a professional opinion prepared by a registered professional architect or engineer,
87.27 licensed in this state, describing the current condition of all structural components and
87.28 mechanical, electrical, and plumbing installations material to the use and enjoyment of the
87.29 building, to the extent reasonably ascertainable without disturbing the improvements or
87.30 dismantling the equipment, which will be in place or be operational at the time of conveyance
87.31 of the first unit to a person other than a declarant. Subject to such reasonable accessibility,
87.32 the opinion shall include, at a minimum, the following information concerning the following

88.1 components and installations: (i) the composition and condition of all roofs, (ii) the type of
88.2 building frame and its condition, (iii) the composition and condition of exterior walls, (iv)
88.3 whether any building foundation, or any exterior walls or exposed load-bearing components,
88.4 show significant spalling, buckling, shearing, or other obvious settling, damage, or load
88.5 distress, (v) the type, composition, and condition of predominant window and door systems,
88.6 (vi) the condition of any furnaces or boilers, (vii) the stated capacity of common electrical
88.7 service, (viii) the type and condition of any common elevator system serving any building,
88.8 and (ix) evidence of water damage within any building and any apparent source of the
88.9 damage;

88.10 (2) a statement of the remaining useful life of each item reported on in paragraph (1) or
88.11 a statement that no representations are made in that regard as to some or all of the items;

88.12 (3) a list of any outstanding notices of uncured violations of building code or other
88.13 municipal regulations, together with the estimated cost of curing those violations;

88.14 (4) the approximate age of each building and the approximate date of any major alterations
88.15 or additions thereto; and

88.16 (5) a statement as to which, if any, of the components or installations reported on in
88.17 clause (1) has been replaced or will be replaced prior to the recording of the declaration and
88.18 the approximate date when the replacement occurred or will occur.

88.19 Sec. 35. Minnesota Statutes 2024, section 515B.4-106, is amended to read:

88.20 **515B.4-106 PURCHASER'S RIGHT TO CANCEL.**

88.21 (a) A person required to deliver a disclosure statement pursuant to section 515B.4-101
88.22 (b) shall provide at least one of the purchasers of the unit with a copy of the disclosure
88.23 statement and all amendments thereto before conveyance of the unit. If a purchaser is not
88.24 given a disclosure statement more than ten days before execution of the purchase agreement,
88.25 the purchaser may, before conveyance, cancel the purchase agreement within ten days after
88.26 first receiving the disclosure statement. If a purchaser is given the disclosure statement more
88.27 than ten days before execution of the purchase agreement, the purchaser may not cancel the
88.28 purchase agreement pursuant to this section. The ten-day rescission period may be modified
88.29 or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has
88.30 received and had an opportunity to review the disclosure statement. The person required to
88.31 deliver a disclosure statement may not condition the sale of the unit on the purchaser agreeing
88.32 to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate
88.33 the purchaser to modify or waive the purchaser's ten-day right of rescission, and may not

89.1 include a modification or waiver of the ten-day right of rescission in any purchase agreement
 89.2 for the unit. To be effective, a modification or waiver of a purchaser's ten-day right of
 89.3 rescission must be evidenced by an instrument separate from the purchase agreement signed
 89.4 by the purchaser more than three days after the purchaser receives the disclosure statement.

89.5 (b) If an amendment to the disclosure statement materially and adversely affects a
 89.6 purchaser, then the purchaser shall have ten days after delivery of the amendment to cancel
 89.7 the purchase agreement in accordance with this section. The ten-day rescission period may
 89.8 be modified or waived, in writing, by agreement of the purchaser of a unit only after the
 89.9 purchaser has received and had an opportunity to review the amendment. To be effective,
 89.10 a modification or waiver of a purchaser's ten-day right of rescission under this section must
 89.11 be evidenced by a written instrument separate from the purchase agreement signed by the
 89.12 purchaser more than three days after the purchaser receives the amendment.

89.13 (c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the
 89.14 purchaser may do so by giving the seller or the seller's agent notice thereof pursuant to
 89.15 section 515B.1-115 or, if the seller or seller's agent has provided an electronic address at
 89.16 which the seller or seller's agent agrees to receive electronic communication, as defined in
 89.17 section 317A.011, subdivision 7a, by electronic communication sent to that address.
 89.18 Cancellation is without penalty, and all payments made by the purchaser before cancellation
 89.19 shall be refunded promptly. Notwithstanding anything in this section to the contrary, the
 89.20 purchaser's cancellation rights under this section terminate upon the purchaser's acceptance
 89.21 of a conveyance of the unit.

89.22 (d) If a declarant obligated to deliver a disclosure statement fails to deliver to the
 89.23 purchaser a disclosure statement which substantially complies with this chapter, the declarant
 89.24 shall be liable to the purchaser in the amount of \$5,000, in addition to any damages or other
 89.25 amounts recoverable under this chapter or otherwise. Any action brought under this
 89.26 subsection shall be commenced within the time period specified in section ~~515B.4-115~~,
 89.27 ~~subsection (a)~~ 515B.4-115(a), 515B.4-1151(a), or 515B.4-1152(a), as applicable.

89.28 Sec. 36. Minnesota Statutes 2024, section 515B.4-107, is amended to read:

89.29 **515B.4-107 RESALE OF UNITS.**

89.30 (a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt
 89.31 under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution
 89.32 of any purchase agreement for a unit or otherwise before conveyance, the following
 89.33 documents relating to the association or to the master association, if applicable:

90.1 (1) copies of the declaration (other than any CIC plat), the articles of incorporation and
90.2 bylaws, any rules and regulations, and any amendments or supplemental declarations;

90.3 (2) copies of the master declaration, articles of incorporation, bylaws, and rules and
90.4 regulations, if the common interest community is subject to a master declaration; and

90.5 (3) a resale disclosure certificate from the association dated not more than 90 days prior
90.6 to the date of the purchase agreement or the date of conveyance, whichever is earlier,
90.7 containing the information set forth in subsection (b).

90.8 (b) The resale disclosure certificate must be in substantially the following form:

COMMON INTEREST COMMUNITY

RESALE DISCLOSURE CERTIFICATE

90.11 Name of Common Interest Community:.....

90.12 Name of Association:.....

90.13 Address of Association:.....

90.14 Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):

90.15 Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

90.16

90.17

90.18 The following information is furnished by the association named above according to
90.19 Minnesota Statutes, section 515B.4-107.

90.20 1. There is no right of first refusal or other restraint on the free alienability of the above
90.21 unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to
90.22 them, except as follows:.....

90.23

90.24

90.25

90.26 2. The following periodic installments of common expense assessments and special
90.27 assessments are payable with respect to the above unit(s):

90.28 a. Annual assessment installments: \$..... Due:.....

90.29 b. Special assessment installments: \$..... Due:.....

90.30 c. Unpaid assessments, fines, or other charges:

- 91.1 (1) Annual \$.....
- 91.2 (2) Special \$.....
- 91.3 (3) Fines \$.....
- 91.4 (4) Other Charges \$.....

91.5 d. The association has/has not (strike one) approved a plan for levying certain
 91.6 common expense assessments against fewer than all the units according to
 91.7 Minnesota Statutes, section ~~515B.3-115, subsection (e)~~ 515B.3-115(e) or
 91.8 515B.3-1151(e), as applicable. If a plan is approved, a description of the plan is
 91.9 attached to this certificate.

91.10 3. In addition to the amounts due under paragraph 2, the following additional fees or
 91.11 charges other than assessments are payable by unit owners (include late payment charges,
 91.12 user fees, etc.):

91.13

91.14

91.15

91.16 4. There are no extraordinary expenditures approved by the association, and not yet
 91.17 assessed, for the current and two succeeding fiscal years, except as follows:.....

91.18

91.19

91.20 5. The association is obligated to replace the following components of the common
 91.21 interest community:.....

91.22

91.23

91.24 The association has the following amounts in its reserves for replacement of those
 91.25 components:

91.26

91.27

91.28 The replacement of the following components is funded by assessments levied only against
 91.29 the unit or units served by the component, pursuant to Minnesota Statutes, section
 91.30 515B.3-115(e)(1) or (2) or 515B.3-1151(e)(1) or (2), as applicable......

91.31

91.32

92.1 6. The following documents are furnished with this certificate according to statute:

92.2 a. The most recent regularly prepared balance sheet and income and expense
92.3 statement of the association.

92.4 b. The current budget of the association.

92.5 c. Copies of the association's written preventative maintenance plan, maintenance
92.6 schedule, and maintenance budget for the common elements of the common
92.7 interest community are either furnished with this certificate or are available
92.8 electronically from the association as follows:.....

92.9 7. There are no unsatisfied judgments against the association, except as follows (identify
92.10 creditor and amount):.....

92.11

92.12

92.13 8. There are no pending lawsuits to which the association is a party, except as follows
92.14 (identify and summarize status):.....

92.15

92.16

92.17 9. Description of insurance coverages:

92.18 a. The association provides the following insurance coverage for the benefit of unit
92.19 owners: (Reference may be made to applicable sections of the declaration or bylaws;
92.20 however, any additional coverages should be described in this space).....

92.21

92.22

92.23

92.24 b. The following described fixtures, decorating items, or construction items within the
92.25 unit referred to in Minnesota Statutes, section ~~515B.3-113~~, ~~subsection (b)~~ 515B.3-113(b),
92.26 are insured by the association (check as applicable):

92.27 Ceiling or wall finishing materials

92.28 Finished flooring

92.29 Cabinetry

92.30 Finished millwork

92.31 Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures
92.32 serving a single unit

93.1 Built-in appliances

93.2 Improvements and betterments as originally constructed

93.3 Additional improvements and betterments installed by unit owners

93.4 10. The board of directors of the association has not notified the unit owner (i) that any
93.5 alterations or improvements to the unit or to the limited common elements assigned to it
93.6 violate any provision of the declaration; or (ii) that the unit is in violation of any governmental
93.7 statute, ordinance, code, or regulation, except as follows:.....

93.8

93.9 11. The remaining term of any leasehold estate affecting the common interest community
93.10 and the premises governing any extension or renewal of it are as follows:.....

93.11

93.12

93.13 12. This Resale Disclosure Certificate is given in connection with the resale of a unit
93.14 by a unit owner who is not a declarant and who, therefore, is not liable for express warranties
93.15 under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota
93.16 Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer
93.17 of preexisting warranties made by a declarant under the referenced statutes, subject to the
93.18 terms of Minnesota Statutes, sections 515B.4-114 ~~and~~, 515B.4-1141, 515B.4-115, and
93.19 515B.4-1151, as applicable.

93.20 13. In addition to the above, the following matters affecting the occupancy or use of the
93.21 unit, or the unit owner's obligations with respect to the unit, are deemed material:.....

93.22

93.23 I hereby certify that the foregoing information and statements are true and correct as
93.24 of.....

93.25

93.26 (Date)

93.27 By:

93.28 Title:

93.29 (Association representative)

93.30 Address:

93.31 Phone Number:

93.32 RECEIPT

94.1 In addition to the foregoing information furnished by the association, the unit owner is
 94.2 obligated to furnish to the purchaser before execution of any purchase agreement for a unit
 94.3 or otherwise before conveyance, copies of the following documents relating to the association
 94.4 or to the master association (as applicable): the declaration (other than any common interest
 94.5 community plat), articles of incorporation, bylaws, rules and regulations (if any), and any
 94.6 amendments to these documents. Receipt of the foregoing documents, and the resale
 94.7 disclosure certificate, is acknowledged by the undersigned buyer(s).

94.8 Dated:
 94.9 (Buyer)
 94.10
 94.11 (Buyer)

94.12 (c) If the common interest community is subject to a master declaration and governed
 94.13 by a master association to which has been delegated any of the association's powers under
 94.14 section 515B.3-102(a)(2), then the financial information required to be disclosed under
 94.15 subsection (b) may be disclosed on a consolidated basis.

94.16 (d) The association, within ten days after a request by a unit owner, or the unit owner's
 94.17 authorized representative, shall furnish the certificate required in subsection (a). The
 94.18 association may charge a reasonable fee for furnishing the certificate and any association
 94.19 documents related thereto. A unit owner providing a certificate pursuant to subsection (a)
 94.20 is not liable to the purchaser for any erroneous information provided by the association and
 94.21 included in the certificate. A unit owner who has acquired title to a unit pursuant to section
 94.22 515B.3-104 or 515B.3-1041, including, but not limited to, a unit owner who has acquired
 94.23 title through foreclosure or a deed in lieu of foreclosure, must indicate to the association in
 94.24 connection with a request for a resale disclosure certificate whether the requesting unit
 94.25 owner is or is not a declarant. The unit owner, not the association, is liable for any damage,
 94.26 loss, or other consequence arising out of the incorrect representation of its declarant status.

94.27 (e) A purchaser is not liable for any unpaid common expense assessments, including
 94.28 special assessments, if any, not set forth in the certificate required in subsection (a). A
 94.29 purchaser is not liable for the amount by which the annual or special assessments exceed
 94.30 the amount of annual or special assessments stated in the certificate for assessments payable
 94.31 in the year in which the certificate was given, except to the extent of any increases
 94.32 subsequently approved in accordance with the declaration or bylaws. A unit owner is not
 94.33 liable to a purchaser for the failure of the association to provide the certificate, or a delay
 94.34 by the association in providing the certificate in a timely manner.

95.1 Sec. 37. Minnesota Statutes 2024, section 515B.4-113, is amended to read:

95.2 **515B.4-113 IMPLIED WARRANTIES.**

95.3 (a) A declarant warrants to a purchaser that a unit will be in at least as good condition
95.4 at the earlier of the time of the conveyance or delivery of possession as it was at the time
95.5 of contracting, reasonable wear and tear excepted.

95.6 (b) A declarant warrants to a purchaser that:

95.7 (1) a unit and the common elements in the common interest community are suitable for
95.8 the ordinary uses of real estate of its type; and

95.9 (2) any improvements subject to use rights by the purchaser, made or contracted for by
95.10 the declarant, or made by any person in contemplation of the creation of the common interest
95.11 community, will be (i) free from defective materials and (ii) constructed in accordance with
95.12 applicable law, according to sound engineering and construction standards, and in a
95.13 workmanlike manner.

95.14 (c) In addition, a declarant warrants to a purchaser of a unit which under the declaration
95.15 is available for residential use that the residential use will not violate applicable law at the
95.16 earlier of the time of conveyance or delivery of possession.

95.17 (d) Warranties imposed by this section may be excluded or modified only as specified
95.18 in section 515B.4-114.

95.19 (e) For purposes of this section, improvements made or contracted for by an affiliate of
95.20 a declarant are made or contracted for by the declarant.

95.21 (f) Any conveyance of a unit transfers to the purchaser all implied warranties.

95.22 (g) This section does not in any manner abrogate the provisions of chapter 327A relating
95.23 to statutory warranties for housing, or affect any other cause of action under a statute or the
95.24 common law.

95.25 (h) With respect to common interest communities created on or after August 1, 2017, a
95.26 development party shall not have liability under this section for loss or damage caused by
95.27 the failure of the association or a unit owner to comply with obligations imposed by section
95.28 515B.3-107, unless the loss or damage is caused by failure to comply with section
95.29 515B.3-107 while the declarant controlled the board.

96.1 Sec. 38. Minnesota Statutes 2024, section 515B.4-116, is amended to read:

96.2 **515B.4-116 RIGHTS OF ACTION; ATTORNEY'S FEES.**

96.3 (a) In addition to any other rights to recover damages, attorney's fees, costs or expenses,
96.4 whether authorized by this chapter or otherwise, if a declarant, an association, or any other
96.5 person violates any provision of this chapter, or any provision of the declaration, bylaws,
96.6 or rules and regulations any person or class of persons adversely affected by the failure to
96.7 comply has a claim for appropriate relief. Subject to the requirements of section ~~515B.3-102~~
96.8 515B.3-102(d) with respect to common interest communities created on or after August 1,
96.9 2017, the association shall have standing to pursue claims on behalf of the unit owners of
96.10 two or more units.

96.11 (b) The court may award reasonable attorney's fees and costs of litigation to the prevailing
96.12 party. Punitive damages may be awarded for a willful failure to comply.

96.13 (c) For common interest communities created on or after August 1, 2017, as a condition
96.14 precedent to any construction defect claim, the parties to the claim must submit the matter
96.15 to mediation before a mutually agreeable neutral third party. For the purposes of this section,
96.16 mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If
96.17 the parties are not able to agree on a neutral third-party mediator from the roster maintained
96.18 by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction
96.19 in which the common interest community is located to appoint a mediator. The applicable
96.20 statute of limitations and statute of repose for an action based on breach of a warranty
96.21 imposed by this section, or any other action in contract, tort, or other law for any injury to
96.22 real or personal property or bodily injury or wrongful death arising out of the alleged
96.23 construction defect, is tolled from the date that any party makes a written demand for
96.24 mediation under this section until the latest of the following:

96.25 (1) five business days after mediation is completed; or

96.26 (2) 180 days.

96.27 Notwithstanding the foregoing, mediation shall not be required prior to commencement
96.28 of a construction defect claim if the parties have completed home warranty dispute resolution
96.29 under section 327A.051.

96.30 (d) The remedies provided for under this chapter are not exclusive and do not abrogate
96.31 any remedies under other statutes or the common law, notwithstanding whether those
96.32 remedies are referred to in this chapter.

97.1 Sec. 39. Minnesota Statutes 2024, section 515B.4-118, is amended to read:

97.2 **515B.4-118 DECLARANT'S OBLIGATION TO COMPLETE AND RESTORE.**

97.3 (a) Except for improvements labeled "NEED NOT BE BUILT," the declarant shall
97.4 complete all improvements depicted on any CIC plat prepared pursuant to section 515B.2-110
97.5 or 515B.2-1101, whether or not the plat is contained in the disclosure statement.

97.6 (b) The declarant is liable for the prompt repair and restoration of any portion of the
97.7 common interest community damaged by the declarant's exercise of any special declarant
97.8 rights.

97.9 Sec. 40. Laws 2024, chapter 96, article 1, section 91, as amended by Laws 2025, chapter
97.10 32, article 4, section 12, is amended to read:

97.11 Sec. 91. **EFFECTIVE DATE.**

97.12 This article is effective August 1, ~~2026~~ 2027.

97.13 Sec. 41. Laws 2024, chapter 96, article 2, section 13, as amended by Laws 2025, chapter
97.14 32, article 4, section 13, is amended to read:

97.15 Sec. 13. **EFFECTIVE DATE.**

97.16 This article is effective August 1, ~~2026~~ 2027.