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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4485

03/04/2024

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The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to homeowner associations; prohibiting certain practices relating to property
1.3 management companies; prohibiting certain conduct by associations; amending
1.4 Minnesota Statutes 2022, sections 515B.3-107; 515B.4-116; Minnesota Statutes
1.5 2023 Supplement, sections 515B.3-102; 515B.3-116; proposing coding for new
1.6 law in Minnesota Statutes, chapter 325E.

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

1.8 Section 1. **325E.68** **PROPERTY MANAGEMENT.**

1.9 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

1.10 (b) "Person" means an individual, firm, partnership, limited liability company,
1.11 corporation, or association.

1.12 (c) "Property manager" or "property management company" means a person who engages
1.13 in the business of managing real property that is owned by another person.

1.14 (d) "Owner" means a person who has any legal or equitable interest in the real property.
1.15 An owner of a common interest community, as defined in chapter 515B, means the unit
1.16 owners' association organized under section 515B.3-101.

1.17 Subd. 2. **Interest of property management company in certain firms.** No property
1.18 manager or property management company having an interest directly or indirectly in a
1.19 construction firm, salvage firm, or appraisal firm may hire the directly or indirectly owned
1.20 construction firm, salvage firm, or appraisal firm to perform work on a managed property
1.21 unless the interest has been disclosed in writing to the owner or owners at least three days
1.22 prior to the execution of a contract for the work. "Firm" includes a corporation, partnership,
1.23 association, or individual firm.

2.1 Subd. 3. **Prohibited practices.** No property manager or property management company
 2.2 shall request or accept money, rebates, or anything of value from a construction firm, salvage
 2.3 firm, or appraisal firm as:

2.4 (1) an inducement to refer business or clients to the firm;

2.5 (2) a condition for awarding a contract to the firm;

2.6 (3) part of a fee specified in a contract; or

2.7 (4) fee splitting for services rendered, unless the other person is also a licensed contractor.

2.8 Subd. 4. **Automatic renewal.** A contract between a person and a property manager or
 2.9 property management company having a term exceeding one year must not contain an
 2.10 automatic renewal provision that requires the association to give notice of nonrenewal more
 2.11 than 30 days prior to the contract's anniversary date. Any contract with a property manager
 2.12 or property management company that is automatically renewed shall be terminable by the
 2.13 person for any reason upon 60 days' notice.

2.14 Subd. 5. **Certain compensation prohibited.** A property manager or property management
 2.15 company must not be compensated in whole or in part based on the amount of fines collected
 2.16 by the property manager or property management company on behalf of the person and
 2.17 shall not collect from the person or owner any fee in connection with its collection of a fine
 2.18 imposed by the association.

2.19 Subd. 6. **Remedies.** If a property manager or property management company violates
 2.20 this section, an owner may bring an action against the property manager or property
 2.21 management company in a court of competent jurisdiction for damages sustained by the
 2.22 owner as a consequence of the property manager's or property management company's
 2.23 violation, together with the actual costs of the action, including reasonable attorney fees.
 2.24 The remedies in this section are in addition to any other remedies permitted by law.

2.25 Sec. 2. Minnesota Statutes 2023 Supplement, section 515B.3-102, is amended to read:

2.26 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

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

2.29 (1) adopt, amend and revoke rules and regulations not inconsistent with the articles of
 2.30 incorporation, bylaws and declaration, as follows: (i) regulating the use of the common
 2.31 elements; (ii) regulating the use of the units, and conduct of unit occupants, which may
 2.32 jeopardize the health, safety or welfare of other occupants, which involves noise or other

3.1 disturbing activity, or which may damage the common elements or other units; (iii) regulating
3.2 or prohibiting animals; (iv) regulating changes in the appearance of the common elements
3.3 and conduct which may damage the common interest community; (v) regulating the exterior
3.4 appearance of the common interest community, including, for example, balconies and patios,
3.5 window treatments, and signs and other displays, regardless of whether inside a unit; (vi)
3.6 implementing the articles of incorporation, declaration and bylaws, and exercising the
3.7 powers granted by this section; and (vii) otherwise facilitating the operation of the common
3.8 interest community;

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

3.11 (3) hire and discharge managing agents and other employees, agents, and independent
3.12 contractors;

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

3.17 (5) make contracts and incur liabilities;

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

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

3.22 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
3.23 real estate or personal property, but (i) common elements in a condominium or planned
3.24 community may be conveyed or subjected to a security interest only pursuant to section
3.25 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
3.26 may be subjected to a security interest, only pursuant to section 515B.3-112;

3.27 (9) grant or amend easements for public utilities, public rights-of-way or other public
3.28 purposes, and cable television or other communications, through, over or under the common
3.29 elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
3.30 by the declaration; and, subject to approval by a vote of unit owners other than declarant
3.31 or its affiliates, grant or amend other easements, leases, and licenses through, over or under
3.32 the common elements;

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

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

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

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

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

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

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

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

4.26 (c) A fine levied pursuant to subsection (a)(11), must not exceed \$100 for a single
4.27 violation, and when combined with additional fines for an ongoing violation, late fees, and
4.28 other allowable charges, must not exceed \$2,500 in total for the violation. An association
4.29 that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section
4.30 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner
4.31 that:

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

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

5.4 (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:
5.5 (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;

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

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

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

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

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

5.17 (e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
5.18 association, before instituting litigation or arbitration involving construction defect claims
5.19 against a development party, shall:

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

5.26 (2) obtain the approval of owners of units to which a majority of the total votes in the
5.27 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
5.28 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
5.29 are excluded. The association may obtain the required approval by a vote at an annual or
5.30 special meeting of the members or, if authorized by the statute under which the association
5.31 is created and taken in compliance with that statute, by a vote of the members taken by
5.32 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
5.33 means or mailed ballots is authorized by that statute, the association shall also provide for

6.1 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
6.2 or mailed ballots, except that the votes must be used in combination with the vote taken at
6.3 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
6.4 for purposes of determining whether a quorum was present. Proxies may not be used for a
6.5 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
6.6 the notice required under subsection (e)(1) and the proxy expressly references this notice.

6.7 (f) The association may intervene in a litigation or arbitration involving a construction
6.8 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
6.9 claim before complying with subsections (e)(1) and (e)(2) but the association's complaint
6.10 in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without
6.11 prejudice unless the association has complied with the requirements of subsection (e) within
6.12 90 days of the association's commencement of the complaint in an intervention or the
6.13 assertion of the counterclaim, crossclaim, or third-party claim.

6.14 Sec. 3. Minnesota Statutes 2022, section 515B.3-107, is amended to read:

6.15 **515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.**

6.16 (a) Except to the extent provided by the declaration, this subsection or section
6.17 515B.3-113, the association is responsible for the maintenance, repair and replacement of
6.18 the common elements, and each unit owner is responsible for the maintenance, repair and
6.19 replacement of the unit owner's unit. Damage to the common elements or any unit as a result
6.20 of the acts or omissions of a unit owner or the association, including damage resulting from
6.21 the unit owner's or association's lack of maintenance or failure to perform necessary repairs
6.22 or replacement, is the responsibility of the unit owner or association responsible for causing
6.23 the damage, or whose agents or invitees caused the damage.

6.24 (b) The association's board of directors shall prepare and approve a written preventative
6.25 maintenance plan, maintenance schedule, and maintenance budget for the common elements.
6.26 The association shall follow the approved preventative maintenance plan. The association's
6.27 board may amend, modify, or replace an approved preventative maintenance plan or an
6.28 approved maintenance schedule from time to time. The association must provide all unit
6.29 owners with a paper copy, electronic copy, or electronic access to the preventative
6.30 maintenance plan, the maintenance schedule, and any amendments or modifications to or
6.31 replacements of the preventative maintenance plan and the maintenance schedule. If a
6.32 common interest community was created on or before August 1, 2017, the association's
6.33 board of directors shall have until January 1, 2019, to comply with the requirements of this
6.34 subsection.

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

7.8 (d) In exercising any authority granted to it under the declaration to approve or disapprove
7.9 proposed changes to a unit or limited common element, the association's board shall provide
7.10 a fair, reasonable, and expeditious procedure for making its decision. The procedure shall
7.11 be set forth in the association's governing documents. The procedures shall state the
7.12 maximum time for issuance of any decision on a proposal or a request for reconsideration.
7.13 At a minimum, a decision shall be made within 90 days after the initial submission of the
7.14 proposal or submission of any additional information or changes to the proposal requested
7.15 by the association's board in response to the initial submission. A decision shall be in writing,
7.16 shall be made in good faith, and may not be unreasonable, arbitrary, or capricious. If the
7.17 proposal is disapproved, the decision shall include both an explanation of why the proposal
7.18 is disapproved and a description of the procedure for reconsideration of the decision by the
7.19 association's board.

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

7.23 (f) Unless expressly provided for in the declaration, the association must not enforce
7.24 any restriction on parking of a personal vehicle on a public street or public road for which
7.25 the state or local government has assumed responsibility for maintenance and repairs, unless
7.26 the authority to regulate such parking has been expressly delegated to the association by
7.27 the state or local government under terms prescribing the manner in which the association
7.28 may exercise that authority. Any such delegation shall be valid for a period not to exceed
7.29 five years, at which time the association must reapply to the delegating entity. As used in
7.30 this subdivision, "personal vehicle" means an automobile with a gross weight of less than
7.31 26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place
7.32 of work, and does not include a motor home or self-propelled recreational vehicle, or an
7.33 automobile that is otherwise used primarily in connection with any commercial endeavor
7.34 or business.

8.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 515B.3-116, is amended to read:

8.2 **515B.3-116 LIEN FOR ASSESSMENTS.**

8.3 (a) The association has a lien on a unit for any assessment levied against that unit from
8.4 the time the assessment becomes due. If an assessment is payable in installments, the full
8.5 amount of the assessment is a lien from the time the first installment thereof becomes due.
8.6 Unless the declaration otherwise provides, fees, charges, late charges, ~~fin~~es and interest
8.7 charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable
8.8 as assessments, under this section. Fines and fine-related charges are not liens, and are not
8.9 enforceable as assessments under this section. Recording of the declaration constitutes
8.10 record notice and perfection of any assessment lien under this section, and no further
8.11 recording of any notice of or claim for the lien is required.

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

8.20 (c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June
8.21 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems
8.22 pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the
8.23 foreclosure of the first mortgage or any person who acquires title to the unit by redemption
8.24 as a junior creditor shall take title to the unit subject to a lien in favor of the association for
8.25 unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)
8.26 to (3), (f), and (i) which became due, without acceleration, during the six months immediately
8.27 preceding the end of the owner's period of redemption. The common expenses shall be
8.28 based upon the association's then current annual budget, notwithstanding the use of an
8.29 alternate common expense plan under section 515B.3-115(a)(2). If a first security interest
8.30 encumbering a unit owner's interest in a cooperative unit which is personal property is
8.31 foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject
8.32 to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a),
8.33 (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months
8.34 immediately preceding the first day following either the disposition date pursuant to section

9.1 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to
9.2 section 336.9-622.

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

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

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

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

9.16 (h) The association's lien may be foreclosed as provided in this subsection. In no case
9.17 may an association's lien be foreclosed unless unpaid fees, charges, late charges, and interest
9.18 charges pursuant to section 515B.3-102(a)(10), (11) and (12), are outstanding for more than
9.19 180 days.

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

9.26 (2) In a cooperative whose unit owners' interests are real estate, the association's lien
9.27 shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
9.28 (1).

9.29 (3) In a cooperative whose unit owners' interests in the units are personal property, the
9.30 association's lien shall be foreclosed in a like manner as a security interest under article 9
9.31 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to
9.32 sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
9.33 by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner

10.1 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its
10.2 reasonable costs and attorney fees not exceeding the amount provided by section 582.01,
10.3 subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate
10.4 consideration for the unit subject to disposition or retention, notwithstanding the value of
10.5 the unit, and (iv) the notice of sale, disposition, or retention shall contain the following
10.6 statement in capital letters with the name of the association or secured party filled in:

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

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

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

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

10.18 (3) \$500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR
10.19 INCURRED; PLUS

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

10.22 (b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
10.23 FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
10.24 CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR
10.25 SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
10.26 GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

10.27 IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
10.28 THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
10.29 YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
10.30 ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
10.31 RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
10.32 ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL

11.1 BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
 11.2 AN ATTORNEY IMMEDIATELY."

11.3 (4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
 11.4 be the same as those provided by law, except (i) the period of redemption for unit owners
 11.5 shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
 11.6 foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
 11.7 costs and disbursements of foreclosure and attorney fees authorized by the declaration or
 11.8 bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a
 11.9 foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and
 11.10 disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the
 11.11 amount of the association's lien shall be deemed to be adequate consideration for the unit
 11.12 subject to foreclosure, notwithstanding the value of the unit.

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

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

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

11.23 Sec. 5. Minnesota Statutes 2022, section 515B.4-116, is amended to read:

11.24 **515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEY'S**
 11.25 **FEES.**

11.26 (a) In addition to any other rights to recover damages, attorney's fees, costs or expenses,
 11.27 whether authorized by this chapter or otherwise, if a declarant, an association, or any other
 11.28 person violates any provision of this chapter, or any provision of the declaration, bylaws,
 11.29 or rules and regulations any person or class of persons adversely affected by the failure to
 11.30 comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102,
 11.31 the association shall have standing to pursue claims on behalf of the unit owners of two or
 11.32 more units.

12.1 (b) An association may not retaliate against an owner for asserting any right the owner
 12.2 has under this chapter or other law. For purposes of this paragraph, asserting rights includes
 12.3 but is not limited to filing an action in district court to enforce a right or remedy provided
 12.4 by this chapter or other law; by the declaration, bylaws, or rules and regulations of the
 12.5 association; or by filing a complaint with local authorities regarding a violation of a health,
 12.6 safety, housing, or building code or ordinance. An association may not decrease services
 12.7 or impose a fine or other penalty or charge legal fees to the owner, nor may the association
 12.8 make the resumption of services or removal of the fine, penalty, or legal fees contingent on
 12.9 the owner dropping the owner's action in district court or complaint with local authorities.

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

12.12 ~~(e)~~ (d) As a condition precedent to any construction defect claim, the parties to the claim
 12.13 must submit the matter to mediation before a mutually agreeable neutral third party. For
 12.14 the purposes of this section, mediation has the meaning given under the General Rules of
 12.15 Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator
 12.16 from the roster maintained by the Minnesota Supreme Court, the parties may petition the
 12.17 district court in the jurisdiction in which the common interest community is located to
 12.18 appoint a mediator. The applicable statute of limitations and statute of repose for an action
 12.19 based on breach of a warranty imposed by this section, or any other action in contract, tort,
 12.20 or other law for any injury to real or personal property or bodily injury or wrongful death
 12.21 arising out of the alleged construction defect, is tolled from the date that any party makes
 12.22 a written demand for mediation under this section until the latest of the following:

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

12.24 (2) 180 days.

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

12.28 ~~(d)~~ (e) The remedies provided for under this chapter are not exclusive and do not abrogate
 12.29 any remedies under other statutes or the common law, notwithstanding whether those
 12.30 remedies are referred to in this chapter.