ARTICLE 4

WEIGHTS AND MEASURES

ARTICLE 5

MISCELLANEOUS

S2219-2

Sec. 21. Minnesota Statutes 2022, section 103G.291, subdivision 4, is amended to read:

Subd. 4. Demand reduction measures. (a) For the purposes of this section, "demand reduction measures" means measures that reduce water demand, water losses, peak water demands, and nonessential water uses. Demand reduction measures must include a conservation rate structure, or a uniform rate structure with a conservation program that achieves demand reduction. A "conservation rate structure" means a rate structure that encourages conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. If a conservation rate is applied to multifamily dwellings or a manufactured home park, as defined in section 327C.015, subdivision 8, the rate structure must consider each residential unit as an individual user.

(b) To encourage conservation, a public water supplier serving more than 1,000 people must implement demand reduction measures by January 1, 2015.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to a billing period that begins on or after that date.

Sec. 22. Minnesota Statutes 2022, section 237.066, is amended to read:

237.066 STATE GOVERNMENT PRICING PLANS.

Subdivision 1. Purpose. A state government or Tribal government telecommunications pricing plan is authorized and found to be in the public interest as it will:

(1) provide and ensure availability of high-quality, technologically advanced telecommunications services at a reasonable cost to the state or Tribal government; and

(2) further the state telecommunications goals as set forth in section 237.011.

Subd. 2. Program participation. A state government or Tribal government telecommunications pricing plan may be available to serve individually or collectively:

(a) state agencies, Tribal governments, educational institutions, including public schools and Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonprofit schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; and political subdivisions of the state or a Tribal Nation. Plans shall be available to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18 and shall also be available to those entities not using the commissioner for contracting for telecommunications services.

(2) to encourage conservation and may include increasing block rates, seasonal rates, time of use rates, individualized goal rates, or excess use rates. If a conservation rate is applied to multifamily dwellings or a manufactured home park, as defined in section 327C.015, subdivision 8, the rate structure must consider each residential unit as an individual user.

(2) To encourage conservation, a public water supplier serving more than 1,000 people must implement demand reduction measures by January 1, 2015.

EFFECTIVE DATE. This section is effective August 1, 2024, and applies to a billing period that begins on or after that date.

Sec. 2. Minnesota Statutes 2022, section 237.066, is amended to read:

237.066 STATE GOVERNMENT PRICING PLANS.

Subdivision 1. Purpose. A state government or Tribal government telecommunications pricing plan is authorized and found to be in the public interest as it will:

(1) provide and ensure availability of high-quality, technologically advanced telecommunications services at a reasonable cost to the state or Tribal government; and

(2) further the state telecommunications goals as set forth in section 237.011.

Subd. 2. Program participation. A state government or Tribal government telecommunications pricing plan may be available to serve individually or collectively:

(a) state agencies, Tribal governments, educational institutions, including public schools and Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonprofit schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; and political subdivisions of the state or a Tribal Nation. Plans shall be available to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18 and shall also be available to those entities not using the commissioner for contracting for telecommunications services.
Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or 237.74, a telephone company or a telecommunications carrier may, individually or in cooperation with other telephone companies or telecommunications carriers, develop and offer basic or advanced telecommunications services at discounted or reduced rates as a state government or Tribal government telecommunications pricing plan. Any telecommunications services provided under any state government or Tribal government telecommunications pricing plan shall be used exclusively by the entities described in subdivision 2 subject to the plan solely for their own use and shall not be made available to any other entities by resale, sublease, or in any other way.

Subd. 4. **Applicability to other customers.** A telephone company or telecommunications carrier providing telecommunications services under a state government or Tribal government telecommunications pricing plan is not required to provide any other person or entity those services at the rates made available to the state or Tribal government.

Section 5. **Commission review.** (a) The terms and conditions of any state government or Tribal government telecommunications pricing plan must be submitted to the commission for review and approval within 90 days before implementation to:

1. ensure that the terms and conditions benefit the state or Tribal Nation and not any private entity;
2. ensure that the rates for any telecommunications service in any state government or Tribal government telecommunications pricing plan are at or below any applicable tariffed rates; and
3. ensure that the state telecommunications or Tribal government pricing plan meets the requirements of this section and is in the public interest.

(b) The commission shall reject any state government or Tribal government telecommunications pricing plan that does not meet these criteria in paragraph (a).

Section 1. Minnesota Statutes 2022, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

Sec. 3. Minnesota Statutes 2022, section 239.791, subdivision 8, is amended to read:

Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.
A delivery ticket required under section 239.092 for biofuel blended with gasoline must state the volume percentage of biofuel blended into gasoline delivered through a meter into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14 and 16.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data as defined in section 13.02, subdivision 9.

EFFECTIVE DATE. This section is effective July 1, 2023.

Subd. 3a. **Commodity rate.** "Commodity rate" means the per unit price for utility service that varies directly with the volume of a resident's consumption of utility service and that is established or approved by the Minnesota Public Utilities Commission or a municipal public utilities commission, an electric cooperative association, or a municipality and charged to a user of the service.

EFFECTIVE DATE. This section is effective the day following final enactment.

Subd. 11a. **Public utility.** "Public utility" has the meaning given in section 216B.02, subdivision 4.

EFFECTIVE DATE. This section is effective the day following final enactment.

Subd. 17. **Substantial modification.** "Substantial modification" means any change in a rule which: (a) significantly diminishes or eliminates any material obligation of the park owner; (b) significantly diminishes or eliminates any material right, privilege or freedom of action of a resident; or (c) involves a significant new expense for a resident. The
installation of water and sewer meters and the subsequent metering of and billing for water and sewer service is not a substantial modification of the lease, provided the park owner complies with section 327C.04, subdivision 6.

EFFECTIVE DATE. This section is effective for meter installations initiated on or after August 1, 2023.

Sec. 39. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision to read:

Subd. 17a. Utility provider. "Utility provider" means a public utility, an electric cooperative association, or a municipal utility.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 40. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

Subdivision 1. Billing permitted. A park owner who either provides utility service directly to residents or who redistributes utility service provided to the park owner by a utility provider may charge the residents for that service, only if the charges comply with this section.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 41. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

Subd. 2. Metering required. A park owner who charges residents for a utility service must charge each household the same amount, unless the park owner has installed measuring devices which accurately meter each household's use of the utility. Utility measuring devices installed by the park owner must be installed or repaired only by a licensed plumber, licensed electrician, or licensed manufactured home installer.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to meters installed or repaired on or after that date.

Sec. 42. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to read:

Subd. 5. Utility charge for metered service. (a) A park owner who redistributes utility service may not charge a resident a commodity rate that exceeds the commodity rate at which the park owner purchases utility service from a utility provider. Before billing residents for redistributed utility service, a park owner must deduct utility service used exclusively or primarily for the park owner's purposes.

(b) If a utility bill that a park owner receives from a utility provider separates from variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or other miscellaneous charges, the park owner must deduct the park owner's pro rata share.
of these separately itemized charges and apportion the remaining fixed portion of the bill equally among residents based on the total number of occupied units in the park. 

(c) A park owner may not charge to or collect from residents any administrative, capital, or other expenses associated with the distribution of utility services, including but not limited to disconnection, reconnection, and late payment fees.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 11. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision to read:

Sec. 12. Minnesota Statutes 2022, section 515B.3-102, is amended to read:

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

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

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

(3) hire and discharge managing agents and other employees, agents, and independent contractors,
institute, defend, or intervene in litigation or administrative proceedings (i) in its
own name on behalf of itself or two or more unit owners on matters affecting the common
elements or other matters affecting the common interest community or, (ii) with the consent
of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

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

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

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

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

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

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

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

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

(14) provide for reasonable procedures governing the conduct of meetings and election
of directors.
(15) exercise any other powers conferred by law, or by the declaration, articles of
incorporation or bylaws; and
(16) exercise any other powers necessary and proper for the governance and operation
of the association;
(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
on the power of the association to deal with the declarant which are more restrictive than
the limitations imposed on the power of the association to deal with other persons;
(c) An association that levies a fine pursuant to subsection (a)(11), or an assessment
pursuant to section 515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice
to a unit owner that:
   (1) states the amount and reason for the fine or assessment;
   (2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which
   a fine is being levied; and (ii) the specific section of the declaration, bylaws, rules, or
   regulations allegedly violated;
   (3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:
       (i) the damage caused; and (ii) the act or omission alleged to have caused the damage;
   (4) states that all unpaid fines and assessments are liens which, if not satisfied, could
       lead to foreclosure of the lien against the owner's unit;
   (5) describes the unit owner's right to be heard by the board or a committee appointed
       by the board;
   (6) states that if the assessment, fine, late fees, and other allowable charges are not paid,
       the amount may increase as a result of the imposition of attorney fees and other collection
       costs; and
   (7) informs the unit owner that homeownership assistance is available from, and includes
       the contact information for, the Minnesota Homeownership Center;
(d) Notwithstanding subsection (a), powers exercised under this section must comply
with section 500.215.
(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
association, before instituting litigation or arbitration involving construction defect claims
against a development party, shall:
   (1) mail or deliver written notice of the anticipated commencement of the action to each
       unit owner at the addresses, if any, established for notices to owners in the declaration and,
   if the declaration does not state how notices are to be given to owners, to the owner's last
   known address. The notice shall specify the nature of the construction defect claims to be
   alleged, the relief sought, and the manner in which the association proposes to fund the cost
   of pursuing the construction defect claims; and
obtain the approval of owners of units to which a majority of the total votes in the
association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
are excluded. The association may obtain the required approval by a vote at an annual or
special meeting of the members or, if authorized by the statute under which the association
is created and taken in compliance with that statute, by a vote of the members taken by
electronic means or mailed ballots. If the association holds a meeting and voting by electronic
means or mailed ballots is authorized by that statute, the association shall also provide for
voting by those methods; Section 515B.3-110(c) applies to votes taken by electronic means
or mailed ballots, except that the votes must be used in combination with the vote taken at
a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
for purposes of determining whether a quorum was present. Proxies may not be used for a
vote taken under this paragraph unless the unit owner executes the proxy after receipt of
the notice required under subsection (d)(1) and the proxy expressly references this
notice.

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

EFFECTIVE DATE. This section is effective January 1, 2024, for fines and assessments
levied on or after that date.

Sec. 13. Minnesota Statutes 2022, section 515B.3-115, is amended to read:

515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED
BEFORE AUGUST 1, 2010;

(a) The obligation of a unit owner to pay common expense assessments shall be as
follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all
operating expenses of the common interest community; and shall fund the replacement
reserve component of the common expenses as required by subsection (b);

(2) If a common expense assessment has been levied, all unit owners, including the
declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant's liability, and the assessment lien, for the
common expense assessments, exclusive of replacement reserves, on any unit owned by
the declarant may be limited to 25 percent or more of any assessment, exclusive of
replacement reserves, until the unit or any building located in the unit is substantially
completed. Substantial completion shall be evidenced by a certificate of occupancy in any
jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i),
the declarant shall be obligated, within 60 days following the termination of the period of
declarant control, to make up any operating deficit incurred by the association during the
period of declarant control. The existence and amount, if any, of the operating deficit shall
be determined using the accrual basis of accounting applied as of the date of termination
of the period of declarant control, regardless of the accounting methodology previously
used by the association to maintain its accounts;

(b) The replacement reserve component of the common expenses shall be funded for
each unit in accordance with the projected annual budget required by section
515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit
shall commence no later than the date that the unit or any building located within the unit
boundaries is substantially completed. Substantial completion shall be evidenced by a
certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied
at least annually, based upon a budget approved at least annually by the association.

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

(e) Unless otherwise required by the declaration:

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

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

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

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

(5) fees, charges, late charges, fines and interest may be assessed as provided in section
515B.3-116(a).
(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

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

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581.

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

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

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

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 14. Minnesota Statutes 2022, section 515B.3-1151, is amended to read:

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

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

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).
(2) If a common expense assessment has been levied by the association, all unit owners,
including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the
declarant's common expense liability, and the corresponding assessment lien against the
units owned by the declarant, is limited to: (A) paying when due, in compliance with
subsection (b), an amount equal to the full share of the replacement reserves allocated to
units owned by the declarant, as set forth in the association's annual budget approved as
provided in this subsection; and (B) paying when due all accrued expenses of the common
interest community in excess of the aggregate assessments payable with respect to units
owned by persons other than a declarant; provided, that the alternate common expense plan
shall not affect a declarant's obligation to make up any operating deficit pursuant to item
(iv); and shall terminate upon the termination of any period of declarant control unless
terminated earlier pursuant to item (iii).

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

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

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

(v) If the audited profit and loss statement shows an accumulated operating deficit, the
declarant shall be obligated to make up the deficit within 15 days after delivery of the audit
to the association, and the association shall have a claim against the declarant for an amount
equal to the deficit until paid. A declarant who does not utilize an alternate common expense
plan is not liable to make up any operating deficit. If more than one declarant utilizes an
alternate common expense plan, all declarants who utilize the plan are jointly and severally
liable to the association for any operating deficit.
The existence and amount, if any, of the operating deficit shall be determined using
the accrual method of accounting applied as of the date of termination of the period of
declarant control, regardless of the accounting methodology previously used by the
association to maintain its accounts.

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

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

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

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

Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common
expenses shall be assessed against all the units in accordance with the allocations established
by the declaration pursuant to section 515B.2-109.
Unless otherwise required by the declaration:

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

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

3. the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

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

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

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

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

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days' written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full, except that any portion of the assessment that represents installments that are not due and payable without acceleration as of the date of reinstatement must not be included in the amount that a unit owner must pay to reinstate under section 580.30 or chapter 581;

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

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

(k) This section applies only to common interest communities created on or after August 1, 2010.
This section is effective August 1, 2023.

515B.3-116 LIEN FOR ASSESSMENTS.

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments under this section: Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice or claim for the lien is required.

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

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed; the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.
(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

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

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

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

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

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

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

"THIS IS TO INFORM YOU THAT THE ATTACHMENT TO THIS NOTICE (Fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:"
(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

1. THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

2. THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

3. $500 TO APPLY TO ATTORNEYS' ATTORNEYS' FEES ACTUALLY EXPENDED OR INCURRED; PLUS

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

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

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

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

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

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

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

EFFECTIVE DATE: This section is effective August 1, 2023, and applies to foreclosures initiated on or after that date.

Sec. 16. Laws 2022, chapter 93, article 1, section 2, subdivision 5, is amended to read:

Subd. 5.
Enforcement and Examinations

$522,000 in fiscal year 2023 is for the auto theft prevention library under Minnesota Statutes, section 65B.84, subdivision 1, paragraph (d). This is a onetime appropriation and is available until June 30, 2024.

Subd. 5.
Enforcement and Examinations

$522,000 in fiscal year 2023 is for the auto theft prevention library under Minnesota Statutes, section 65B.84, subdivision 1, paragraph (d). This is a onetime appropriation and is available until June 30, 2024.

Sec. 17.
Laws 2023, chapter 24, section 3, is amended to read:

Sec. 3.
APPROPRIATION.

(a) $115,000,000 in fiscal year 2023 is appropriated transferred from the general fund to the commissioner of commerce for the purpose of state competitiveness fund account under Minnesota Statutes, section 216C.391. This is a onetime appropriation transfer. Of this amount:

(1) $100,000,000 is for grant awards made under Minnesota Statutes, section 216C.391, subdivision 3, of which at least $75,000,000 is for grant awards of less than $1,000,000;

(2) $6,000,000 is for grant awards made under Minnesota Statutes, section 216C.391, subdivision 4;

(3) $750,000 is for the reports and audits under Minnesota Statutes, section 216C.391, subdivision 7;

(4) $1,500,000 is for information system development improvements necessary to carry out Minnesota Statutes, section 216C.391, and to improve digital access and reporting;

(5) $6,750,000 is for technical assistance to applicants and administration of Minnesota Statutes, section 216C.391, by the Department of Commerce; and

(6) the commissioner may transfer money from clause (2) to clause (1) if less than 75 percent of the money in clause (2) has been awarded by June 30, 2028.

(b) To the extent that federal funds for energy projects under the Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law
Section 1. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY

Subdivision 1. Definitions. (a) As used in this section, the following terms have the meanings given:

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

c) "Grantee" means a business entity, as defined in Minnesota Statutes, section 5.001.

Subd. 2. Financial information required; determination of ability to perform. Before an agency awards a competitive, legislatively named, single source, or sole source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

1. the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

2. for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

3. for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

4. evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

5. if the grantee's total annual revenue exceeds $750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

6. for a for-profit business, evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law.

RECIPIENTS.

Subdivision 1. Definitions. (a) As used in this section, the following terms have the meanings given:

(b) "Grant" means a grant or business subsidy over $25,000 funded by an appropriation in this act.

c) "Grantee" means a business entity, as defined in Minnesota Statutes, section 5.001.

Subd. 2. Financial information required; determination of ability to perform. Before an agency awards a competitive, legislatively named, single source, or sole source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

1. the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

2. for a grantee that is a nonprofit organization, the grantee's most recent Form 990 or Form 990-EZ filed with the Internal Revenue Service. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

3. for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

4. evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

5. if the grantee is required to complete an audit under Minnesota Statutes, section 309B.55, subdivision 3, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

EFFECTIVE DATE. This section is effective the day following final enactment.

FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY

RECIPIENTS.
Subd. 3. Additional measures for some grantees. The agency may require additional information and must provide enhanced oversight for a grantee that has not previously received state or federal grants for similar amounts or similar duties and therefore has not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. Assistance from administration. An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section. The agency may require additional oversight of a grantee, and therefore has not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 6. Legislatively named grantees. If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the governor, the commissioner of administration, the chair and ranking minority member of the Ways and Means Committee in the house of representatives, and the Senate Language S2744-3, the agency must notify the grantee, the commissioner of administration, and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. Subgrants. If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.
Subd. 6. Authority to award subject to additional assistance and oversight. A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 7. Effect. The requirements of this section are in addition to other requirements imposed by law, the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98, or agency grant policy.

Sec. 19. REPEALER. Minnesota Statutes 2022, section 327C.04, subdivision 4, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2023.