

94.3

ARTICLE 4

94.4

WEIGHTS AND MEASURES

95.1

ARTICLE 5

95.2

MISCELLANEOUS

S2219-2

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

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

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

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

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

237.066 STATE GOVERNMENT PRICING PLANS.

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

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

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

25.4 Subd. 2. **Program participation.** A state government or Tribal government
25.5 telecommunications pricing plan may be available to serve individually or collectively:
25.6 state agencies; Tribal governments; educational institutions, including public schools and
25.7 Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic
25.8 schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public
25.9 corporations; and political subdivisions of the state or a Tribal nation. Plans shall be available
25.10 to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18
25.11 and shall also be available to those entities not using the commissioner for contracting for
25.12 telecommunications services.

190.25

ARTICLE 5

190.26

MISCELLANEOUS COMMERCE POLICY

190.27 Section 1. Minnesota Statutes 2022, section 103G.291, subdivision 4, is amended to read:

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

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

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

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

237.066 STATE GOVERNMENT PRICING PLANS.

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

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

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

191.16 Subd. 2. **Program participation.** A state government or Tribal government
191.17 telecommunications pricing plan may be available to serve individually or collectively:
191.18 state agencies; Tribal governments; educational institutions, including public schools and
191.19 Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic
191.20 schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public
191.21 corporations; and political subdivisions of the state or a Tribal Nation. Plans shall be available
191.22 to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18
191.23 and shall also be available to those entities not using the commissioner for contracting for
191.24 telecommunications services.

25.13 Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or
25.14 237.74, a telephone company or a telecommunications carrier may, individually or in
25.15 cooperation with other telephone companies or telecommunications carriers, develop and
25.16 offer basic or advanced telecommunications services at discounted or reduced rates as a
25.17 state government or Tribal government telecommunications pricing plan. Any
25.18 telecommunications services provided under any state government or Tribal government
25.19 telecommunications pricing plan shall be used exclusively by those the entities described
25.20 in subdivision 2 subject to the plan solely for their the entities' own use and shall not be
25.21 made available to any other entities by resale, sublease, or in any other way.

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

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

25.29 (1) ensure that the terms and conditions benefit the state or Tribal nation and not any
25.30 private entity;
25.31 (2) ensure that the rates for any telecommunications service in any state government or
25.32 Tribal government telecommunications pricing plan are at or below any applicable tariffed
25.33 rates; and
26.1 (3) ensure that the state telecommunications or Tribal government pricing plan meets
26.2 the requirements of this section and is in the public interest.

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

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

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

191.25 Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or
191.26 237.74, a telephone company or a telecommunications carrier may, individually or in
191.27 cooperation with other telephone companies or telecommunications carriers, develop and
191.28 offer basic or advanced telecommunications services at discounted or reduced rates as a
191.29 state government or Tribal government telecommunications pricing plan. Any
191.30 telecommunications services provided under any state government or Tribal government
191.31 telecommunications pricing plan shall be used exclusively by those the entities described
191.32 in subdivision 2 subject to the plan solely for their the entities' own use and shall not be
191.33 made available to any other entities by resale, sublease, or in any other way.

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

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

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

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

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

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

94.16 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline
94.17 must state the volume percentage of biofuel blended into gasoline delivered through a meter
94.18 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14
94.19 and 16.

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

94.30 (d) All reports provided pursuant to paragraph (c) are nonpublic data as defined in section
94.31 13.02, subdivision 9.

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

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46.24 Sec. 36. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
46.25 to read:

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

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

47.1 Sec. 37. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
47.2 to read:

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

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

47.6 Sec. 38. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

47.7 Subd. 17. **Substantial modification.** "Substantial modification" means any change in
47.8 a rule which: (a) significantly diminishes or eliminates any material obligation of the park
47.9 owner; (b) significantly diminishes or eliminates any material right, privilege or freedom
47.10 of action of a resident; or (c) involves a significant new expense for a resident. The

192.28 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline
192.29 must state the volume percentage of biofuel blended into gasoline delivered through a meter
192.30 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14
192.31 and 16.

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

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

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

193.12 Sec. 4. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
193.13 to read:

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

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

193.20 Sec. 5. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
193.21 to read:

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

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

193.25 Sec. 6. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

193.26 Subd. 17. **Substantial modification.** "Substantial modification" means any change in
193.27 a rule which: (a) significantly diminishes or eliminates any material obligation of the park
193.28 owner; (b) significantly diminishes or eliminates any material right, privilege or freedom
193.29 of action of a resident; or (c) involves a significant new expense for a resident. The

47.11 installation of water and sewer meters and the subsequent metering of and billing for water
47.12 and sewer service is not a substantial modification of the lease, provided the park owner
47.13 complies with section 327C.04, subdivision 6.

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

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

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

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

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

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

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

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

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

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

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

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

48.12 (b) If a utility bill that a park owner receives from a utility provider separates from
48.13 variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or
48.14 other miscellaneous charges, the park owner must deduct the park owner's pro rata share

193.30 installation of water and sewer meters and the subsequent metering of and billing for water
194.1 and sewer service is not a substantial modification of the lease, provided the park owner
194.2 complies with section 327C.04, subdivision 6.

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

194.5 Sec. 7. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision
194.6 to read:

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

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

194.10 Sec. 8. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

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

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

194.16 Sec. 9. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

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

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

194.24 Sec. 10. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision
194.25 to read:

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

195.1 (b) If a utility bill that a park owner receives from a utility provider separates from
195.2 variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or
195.3 other miscellaneous charges, the park owner must deduct the park owner's pro rata share

48.15 of these separately itemized charges and apportion the remaining fixed portion of the bill
48.16 equally among residents based on the total number of occupied units in the park.

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

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

48.21 Sec. 43. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision
48.22 to read:

48.23 Subd. 6. Rent increases following the installation of water meters. A park owner may
48.24 not increase lot rents for 13 months following the commencement of utility bills for a resident
48.25 whose lease included water service. In each of the three months prior to commencement of
48.26 utility billing, a park owner must provide the resident with a sample bill for water service.

48.27 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meter
48.28 installations initiated on or after that date.

195.4 of these separately itemized charges and apportion the remaining fixed portion of the bill
195.5 equally among residents based on the total number of occupied units in the park.

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

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

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

195.12 Subd. 6. Rent increases following the installation of water meters. A park owner may
195.13 not increase lot rents for 13 months following the commencement of utility bills for a resident
195.14 whose lease included water and sewer service. In each of the three months prior to
195.15 commencement of utility billing, a park owner must provide the resident with a sample bill
195.16 for water and sewer service.

195.17 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meter
195.18 installations initiated on or after that date.

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

195.20 **515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.**

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

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

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

196.5 (3) hire and discharge managing agents and other employees, agents, and independent
196.6 contractors;

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

196.11 (5) make contracts and incur liabilities;

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

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

196.16 (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to
196.17 real estate or personal property, but (i) common elements in a condominium or planned
196.18 community may be conveyed or subjected to a security interest only pursuant to section
196.19 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
196.20 may be subjected to a security interest, only pursuant to section 515B.3-112;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

198.4 (7) informs the unit owner that homeownership assistance is available from, and includes
198.5 the contact information for, the Minnesota Homeownership Center.

198.6 (e) (d) Notwithstanding subsection (a), powers exercised under this section must comply
198.7 with section 500.215.

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

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

198.17 (2) obtain the approval of owners of units to which a majority of the total votes in the
198.18 association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
198.19 declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
198.20 are excluded. The association may obtain the required approval by a vote at an annual or
198.21 special meeting of the members or, if authorized by the statute under which the association
198.22 is created and taken in compliance with that statute, by a vote of the members taken by
198.23 electronic means or mailed ballots. If the association holds a meeting and voting by electronic
198.24 means or mailed ballots is authorized by that statute, the association shall also provide for
198.25 voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
198.26 or mailed ballots, except that the votes must be used in combination with the vote taken at
198.27 a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered
198.28 for purposes of determining whether a quorum was present. Proxies may not be used for a
198.29 vote taken under this paragraph unless the unit owner executes the proxy after receipt of
198.30 the notice required under subsection (d)(1)(e)(1) and the proxy expressly references this
198.31 notice.

198.32 (e)(f) The association may intervene in a litigation or arbitration involving a construction
198.33 defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
198.34 claim before complying with subsections (d)(1)(e)(1) and (d)(2)(e)(2) but the association's
199.1 complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed
199.2 without prejudice unless the association has complied with the requirements of subsection
199.3 (d)(e) within 90 days of the association's commencement of the complaint in an intervention
199.4 or the assertion of the counterclaim, crossclaim, or third-party claim.

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

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

199.8 **515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED
199.9 BEFORE AUGUST 1, 2010.**

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

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

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

199.17 (i) If the declaration so provides, a declarant's liability, and the assessment lien, for the
199.18 common expense assessments, exclusive of replacement reserves, on any unit owned by
199.19 the declarant may be limited to 25 percent or more of any assessment, exclusive of
199.20 replacement reserves, until the unit or any building located in the unit is substantially

199.21 completed. Substantial completion shall be evidenced by a certificate of occupancy in any
199.22 jurisdiction that issues the certificate.

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

199.30 (b) The replacement reserve component of the common expenses shall be funded for
199.31 each unit in accordance with the projected annual budget required by section
199.32 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit
199.33 shall commence no later than the date that the unit or any building located within the unit
200.1 boundaries is substantially completed. Substantial completion shall be evidenced by a
200.2 certificate of occupancy in any jurisdiction that issues the certificate.

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

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

200.8 (e) Unless otherwise required by the declaration:

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

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

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

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

200.21 (5) fees, charges, late charges, fines and interest may be assessed as provided in section
200.22 515B.3-116(a).

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

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

200.30 (h) Subject to any shorter period specified by the declaration or bylaws, if any installment
200.31 of an assessment becomes more than 60 days past due, then the association may, upon ten
200.32 days' written notice to the unit owner, declare the entire amount of the assessment
201.1 immediately due and payable in full, except that any portion of the assessment that represents
201.2 installments that are not due and payable without acceleration as of the date of reinstatement
201.3 must not be included in the amount that a unit owner must pay to reinstate under section
201.4 580.30 or chapter 581.

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

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

201.10 (k) This section applies only to common interest communities created before August 1,
201.11 2010.

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

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

201.14 **515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON**
201.15 **OR AFTER AUGUST 1, 2010.**

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

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

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

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

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

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

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

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

203.1 (vi) The existence and amount, if any, of the operating deficit shall be determined using
203.2 the accrual method of accounting applied as of the date of termination of the period of
203.3 declarant control, regardless of the accounting methodology previously used by the
203.4 association to maintain its accounts.

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

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

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

203.26 (c) After an assessment has been levied by the association, assessments shall be levied
203.27 at least annually, based upon an annual budget approved by the association. In addition to
203.28 and not in lieu of annual assessments, an association may, if so provided in the declaration,
203.29 levy special assessments against all units in the common interest community based upon
203.30 the same formula required by the declaration for levying annual assessments. Special
203.31 assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to
203.32 replenish underfunded replacement reserves, (3) to cover unbudgeted capital expenditures
203.33 or operating expenses, or (4) to replace certain components of the common interest
203.34 community described in section 515B.3-114(a), if such alternative method of funding is
203.35 approved under section 515B.3-114(a)(5). The association may also levy assessments against
204.1 fewer than all units as provided in subsections (e), (f), and (g). An assessment under
204.2 subsection (e)(2) for replacement reserves is subject to the requirements of section
204.3 515B.3-1141(a)(5).

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

204.7 (e) Unless otherwise required by the declaration:

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

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

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

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

204.20 (5) fees, charges, late charges, fines, and interest may be assessed as provided in section
204.21 515B.3-116(a).

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

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

204.29 (h) Subject to any shorter period specified by the declaration or bylaws, if any installment
204.30 of an assessment becomes more than 60 days past due, then the association may, upon ten
204.31 days' written notice to the unit owner, declare the entire amount of the assessment
204.32 immediately due and payable in full, except that any portion of the assessment that represents
204.33 installments that are not due and payable without acceleration as of the date of reinstatement
205.1 must not be included in the amount that a unit owner must pay to reinstate under section
205.2 580.30 or chapter 581.

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

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

205.8 (k) This section applies only to common interest communities created on or after August
205.9 1, 2010.

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

205.11 Sec. 15. Minnesota Statutes 2022, section 515B.3-116, is amended to read:

205.12 **515B.3-116 LIEN FOR ASSESSMENTS.**

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

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

205.29 (c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June
205.30 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems
205.31 pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the
205.32 foreclosure of the first mortgage or any person who acquires title to the unit by redemption
205.33 as a junior creditor shall take title to the unit subject to a lien in favor of the association for
206.1 unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1)
206.2 to (3), (f), and (i) which became due, without acceleration, during the six months immediately
206.3 preceding the end of the owner's period of redemption. The common expenses shall be
206.4 based upon the association's then current annual budget, notwithstanding the use of an
206.5 alternate common expense plan under section 515B.3-115(a)(2). If a first security interest
206.6 encumbering a unit owner's interest in a cooperative unit which is personal property is
206.7 foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject
206.8 to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a),
206.9 (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months
206.10 immediately preceding the first day following either the disposition date pursuant to section
206.11 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to
206.12 section 336.9-622.

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

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

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

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

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

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

207.1 (2) In a cooperative whose unit owners' interests are real estate, the association's lien
207.2 shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
207.3 (1).

207.4 (3) In a cooperative whose unit owners' interests in the units are personal property, the
207.5 association's lien shall be foreclosed in a like manner as a security interest under article 9
207.6 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to
207.7 sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
207.8 by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner
207.9 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its
207.10 reasonable costs and attorney fees not exceeding the amount provided by section 582.01,
207.11 subdivision 1a, (iii) the amount of the association's lien shall be deemed to be adequate
207.12 consideration for the unit subject to disposition or retention, notwithstanding the value of
207.13 the unit, and (iv) the notice of sale, disposition, or retention shall contain the following
207.14 statement in capital letters with the name of the association or secured party filled in:

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

207.21 (a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party)
207.22 AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM
207.23 YOU:
207.24 (1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS
207.25 (2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS
207.26 (3) \$500 TO APPLY TO ATTORNEYS ATTORNEY FEES ACTUALLY EXPENDED
207.27 OR INCURRED; PLUS
207.28 (4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill
207.29 in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR
207.30 (b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
207.31 FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
207.32 CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR
208.1 SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
208.2 GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.
208.3 IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
208.4 THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
208.5 YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
208.6 ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
208.7 RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
208.8 ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL
208.9 BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
208.10 AN ATTORNEY IMMEDIATELY."
208.11 (4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
208.12 be the same as those provided by law, except (i) the period of redemption for unit owners
208.13 shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
208.14 foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
208.15 costs and disbursements of foreclosure and attorneys attorney fees authorized by the
208.16 declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and
208.17 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled
208.18 to costs and disbursements of foreclosure and attorneys fees as the court shall determine,
208.19 and (iv) the amount of the association's lien shall be deemed to be adequate consideration
208.20 for the unit subject to foreclosure, notwithstanding the value of the unit.
208.21 (i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of
208.22 redemption, pays any past due or current assessments, or any other charges lienable as
208.23 assessments, with respect to the unit described in the sheriff's certificate, then the amount
208.24 paid shall be a part of the sum required to be paid to redeem under section 582.03.
208.25 (j) In a cooperative, if the unit owner fails to redeem before the expiration of the
208.26 redemption period in a foreclosure of the association's assessment lien, the association may

208.27 bring an action for eviction against the unit owner and any persons in possession of the unit,
208.28 and in that case section 504B.291 shall not apply.

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

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

S2744-3

10.19 Sec. 8. Laws 2022, chapter 93, article 1, section 2, subdivision 5, is amended to read:

10.20 Subd. 5. **Enforcement and Examinations** -0- 522,000

10.21 \$522,000 in fiscal year 2023 is for the auto
10.22 theft prevention library under Minnesota
10.23 Statutes, section 65B.84, subdivision 1,
10.24 paragraph (d). This is a onetime appropriation
10.25 and is available until June 30, 2024.

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

209.2 Subd. 5. **Enforcement and Examinations** -0- 522,000

209.3 \$522,000 in fiscal year 2023 is for the auto
209.4 theft prevention library under Minnesota
209.5 Statutes, section 65B.84, subdivision 1,
209.6 paragraph (d). This is a onetime appropriation
209.7 and is available until June 30, 2024.

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

209.9 Sec. 3. **APPROPRIATION.**

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

209.14 (1) \$100,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,
209.15 subdivision 3, of which at least \$75,000,000 is for grant awards of less than \$1,000,000;

209.16 (2) \$6,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,
209.17 subdivision 4;

209.18 (3) \$750,000 is for the reports and audits under Minnesota Statutes, section 216C.391,
209.19 subdivision 7;

209.20 (4) \$1,500,000 is for information system development improvements necessary to carry
209.21 out Minnesota Statutes, section 216C.391, and to improve digital access and reporting;

209.22 (5) \$6,750,000 is for technical assistance to applicants and administration of Minnesota
209.23 Statutes, section 216C.391, by the Department of Commerce; and

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

209.26 (b) To the extent that federal funds for energy projects under the Infrastructure Investment
209.27 and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law

95.3 **Section 1. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
95.4 **RECIPIENTS.**

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

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

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

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

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

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

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

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

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

209.28 117-169, become permanently unavailable to be matched with funds appropriated under
209.29 this section, the commissioner of management and budget must certify the proportional
209.30 amount of unencumbered funds remaining in the account established under Minnesota
209.31 Statutes, section 216C.391, and those unencumbered funds cancel to the general fund.

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

210.2 **Sec. 18. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
210.3 **RECIPIENTS.**

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

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

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

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

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

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

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

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

210.30 (5) if the grantee is required to complete an audit under Minnesota Statutes, section
210.31 309.53, subdivision 3, the grantee's most recent financial audit performed by an independent
210.32 third party in accordance with generally accepted accounting principles; and

96.1 (6) certification, provided by the grantee, that none of its principals have been convicted
96.2 of a financial crime.

96.3 Subd. 3. **Additional measures for some grantees.** The agency may require additional
96.4 information and must provide enhanced oversight for grants that have not previously received
96.5 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
96.6 the ability to perform the duties required under the grant on the scale required.

96.7 Subd. 4. **Assistance from administration.** An agency without adequate resources or
96.8 experience to perform obligations under this section may contract with the commissioner
96.9 of administration to perform the agency's duties under this section.

96.10 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
96.11 an appreciable risk that a grantee receiving a competitive, single source, or sole source grant
96.12 cannot or would not perform the required duties under the grant agreement, the agency must
96.13 notify the grantee and the commissioner of administration and give the grantee an opportunity
96.14 to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns
96.15 within 45 days, the agency must not award the grant.

96.16 Subd. 6. **Legislatively named grantees.** If an agency determines that there is an
96.17 appreciable risk that a grantee receiving a legislatively named grant cannot or would not
96.18 perform the required duties under the grant agreement, the agency must notify the grantee,
96.19 the commissioner of administration, and the chair and ranking minority member of the Ways
96.20 and Means Committee in the house of representatives, the chair and ranking minority member
96.21 of the Finance Committee in the senate, and the chairs and ranking minority members of
96.22 the committees in the house of representatives and the senate with primary jurisdiction over
96.23 the bill in which the money for the grant was appropriated. The agency must give the grantee
96.24 an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's
96.25 concerns within 45 days, the agency must delay award of the grant until adjournment of the
96.26 next regular or special legislative session.

96.27 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
96.28 other organizations to perform duties required under the grant agreement, the agency must
96.29 be a party to agreements between the grantee and a subgrantee. Before entering agreements
96.30 for subgrants, the agency must perform the financial review required under this section with
96.31 respect to the subgrantees.

211.1 (6) certification, provided by the grantee, that none of its principals have been convicted
211.2 of a financial crime or, if a principal has been convicted of a financial crime, information
211.3 regarding the circumstances under which the crime occurred. For purposes of this paragraph,
211.4 "principal" means a staff or board member with the authority to (i) access funds provided
211.5 by the grantor, or (ii) determine how those funds are used.

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

211.11 Subd. 4. **Agency authority to not award grant.** If an agency determines that there is
211.12 a substantial risk that a grantee receiving a competitive, single source, or sole source grant
211.13 cannot or would not perform the required duties under the grant agreement based on the
211.14 results of the required steps performed under subdivision 2 and pursuant to Minnesota
211.15 Statutes, sections 16B.97, 16B.98, and 16B.991, the agency must notify the grantee and the
211.16 commissioner of administration and give the grantee an opportunity to respond to the
211.17 agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the
211.18 agency must not award the grant. If the grant is not awarded, the funds will cancel and revert
211.19 to the original funding source.

211.20 Subd. 5. **Legislatively named grantees.** If an agency determines that there is a substantial
211.21 risk that a grantee receiving a legislatively named grant cannot or would not perform the
211.22 required duties under the grant agreement based on the results of the required steps performed
211.23 under subdivision 2 and pursuant to Minnesota Statutes, sections 16B.97, 16B.98, and
211.24 16B.991, the agency must notify the grantee, the commissioner of administration, and the
211.25 chair and ranking minority member of the Ways and Means Committee in the house of
211.26 representatives, and the chair and ranking minority member of the Finance Committee in
211.27 the senate. The agency must give the grantee an opportunity to respond to the agency's
211.28 concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency
211.29 must delay award of the grant until adjournment of the next regular or special legislative
211.30 session.

96.32 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements
96.33 imposed by law; the commissioner of administration under Minnesota Statutes, sections
96.34 16B.97 to 16B.98; or agency grant policy.

211.31 Subd. 6. **Authority to award subject to additional assistance and oversight.** A grantor
211.32 that identifies an area of significant concern regarding an applicant's financial standing or
211.33 management may award a grant to the applicant if the grantor provides or the grantee
211.34 otherwise obtains additional technical assistance, as needed, and the grantor imposes
211.35 additional requirements in the grant agreement. Additional requirements may include but
212.1 are not limited to enhanced monitoring, additional reporting, or other reasonable requirements
212.2 imposed by the grantor to protect the interests of the state.

212.3 Subd. 7. **Effect.** The requirements of this section are in addition to other requirements
212.4 imposed by law; the commissioner of administration under Minnesota Statutes, sections
212.5 16B.97 and 16B.98; or agency grant policy.

212.6 Sec. 19. **REPEALER.**

212.7 Minnesota Statutes 2022, section 327C.04, subdivision 4, is repealed.

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