Minnesota HOA Law

Know your rights as a homeowner with a homeowners association (HOA).

New protections now apply to all Minnesota Common Interest Communities (CICs) governed by Chapter 515B, which is the Minnesota Common Interest Community Act. These protections are effective as of January, 1, 2027.

Limits on Fines, Fees, & Interest

Fine Cap
Minor HOA fines are capped at **$100**
Except for repeat violations, health or safety threats, property damage, and illegal use of unit as short or long rental when rentals are not allowed.

Late Fees
No more than $20 OR **5%** of amount owed

Interest
Interest is **capped** at **8%**

Fair Payment Rules

HOAs must:

- Accept **any** payments
- Apply payments to **dues** and **special assessments** first
- Offer a **reasonable payment plan** option for any delinquent dues

Protection From Foreclosure

HOAs cannot:

- Foreclose over **minor fines**
- Foreclose unless you're at least **3 months behind** on assessments

Homeowners Can Dissolve Their HOA

Dissolution requires approval from multiple homeowners.

- Most HOAs need 80% **homeowner** approval **AND** 80% primary **mortgage-holder** approval.
- Detached, single-family HOAs that don't share common spaces or maintenance obligations need 67% **homeowner** approval.

Homeowner Rights

Homeowners have the right to:

- Park personal and work vehicles on your property
- Receive a fair, reasonable, and expeditious process by their HOA in reviewing requests to alter units
- Be governed by reasonable HOA rules
- Ask the HOA to amend, revoke, or add a rule
- Be free from HOA retaliation
- Speak at board meetings

HOAs must make good faith efforts to resolve disputes.

Transparency & Accountability

HOAs must provide homeowners & prospective buyers with:

- Lists of fines and penalties
- Insurance coverage information

Homeowners have the right to receive:

- An annual budget
- Advance notice of proposed rule changes, meetings, agendas, and voting items by email, the HOA's website, or a bulletin
- Right to appeal fines and individual assessments to the Board within 30 days of notice
- Clear instruction on scheduling a hearing to appeal a fine or individual assessment resulting from damages
- A written appeal decision within 30 days of the hearing
- HOA's collection policy and three separate invoices before referral to a collection agency or attorney

HOA boards must give homeowners 21 days notice before any rule changes go into effect.

If an HOA Violates the Law...

Homeowners have the right to:

- File a lawsuit
- Seek damages
- Mobilize neighbors
- Run for the board
- Change policies
- Recover attorney fees
- Request appropriate legal relief
- Change property management company

Homeowners may contact the Minnesota Department of Commerce Ombudsperson at cic.hoa.ombudsperson.comm@state.mn.us

Minnesota HOA Law FAQs

MINNESOTA HOMEOWNERSHIP CENTER

Who does this law apply to? The new provisions apply to any HOA governed by Chapter 515B, the Minnesota Common Interest Ownership Act. They also apply to HOAs created before 1994 that opted into Chapter 515B. All newly created HOAs are governed by Chapter 515B. Commercial units are not covered by this provision.

Are there term limits for Board members? Board members serve three-year terms and may be re-elected an unlimited number of times.

Does this law prohibit board members from fining homeowners?
No. However, the law limits fines for minor violations to $100. Fines may be more than $100 in the following situations:
- The violation is ongoing or repeated.
- The violation has a serious and immediate impact on the health or safety of residents, occupants, or guests.
- The violation causes physical damage to another unit or a common area.
- The violation involves illegal financial gain.

If the board meeting agenda changes, does the board have to send an updated agenda? The law requires HOAs to make meeting agendas and related documents available through reasonable means, such as email, the HOA's website, or a public bulletin board.

Does this law affect Property Management Companies? Yes, to some extent. Neither board members nor property management companies can accept money or other compensation from someone as an incentive to enter into a contract for property maintenance, construction, repair, or reconstruction services.

Do HOAs have to get bids before entering into contracts? For contracts over $50,000 for property maintenance, construction, repair, or reconstruction services, HOAs generally must obtain at least three bids. There are exceptions, including, for example, when no other companies are willing or able to provide the necessary services or emergency repairs are needed to protect the health or safety of homeowners. HOAs must keep records of the bidding process for six years and make those records available to homeowners.

Can the board fire its property management company? Yes. The board must give three months' prior notice before the contract period ends. If the contract automatically renews, the board must notify the property management company at least three months before the renewal date if it does not want to renew the contract. The notice period may vary depending on the terms of the contract the HOA has with the property management company.

Does this law give you power to dissolve your HOA if you have enough buy in? Yes. For most HOAs, dissolution requires approval from homeowners holding 80% of the allocated votes and from 80% of the primary mortgage holders ("first mortgagees"). Where the HOA (1) consists entirely of detached, single-family dwellings: (2) has no maintenance obligations for any buildings; and (3) has no common elements, then 67% approval of the votes allocated to homeowners is required (and it is not necessary to get approval from the mortgage holders).

Is there a third-party dispute resolution option available? HOAs and homeowners may be able to contact the Minnesota Department of Commerce Ombudsperson for help resolving disputes that involve anything other than a dispute over a fine or a dispute over denial of a request to alter a unit.

Can I sue my HOA? Homeowners have the right to go to court if an HOA, a declarant (developer), or another person violates the law or the HOA's governing documents, including its declaration, bylaws, rules, or regulations. Depending on the circumstances, a person or group harmed by the violation may be able to seek:
- Damages; Attorney's fees;
- Court costs and other expenses; or
- Other appropriate legal relief.

A court may award reasonable attorney's fees and litigation costs to the prevailing party. If the homeowner sues the HOA and wins, the HOA pays the homeowner's attorney fees. If the homeowner loses, the homeowner must pay the HOA's attorney fees. Punitive damages may also be available in cases involving a willful failure to comply with the law. If you are looking for an attorney, the Minnesota State Bar Association's Attorney Referral Service can connect you with legal services and an attorney who can help.