

The nature of the relationship needs to be defined.

Renters have a lease. HOA Homeowners have bylaws.

Renters	Homeowners
Renters have a lease which functions as a contract between the tenant and the landlord	HOA homeowners are required to be given a copy of the bylaws upon purchase, but bylaws are not viewed by the state as a contract.
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There are required standards for the contents of the lease	There are no required standards for the content of the bylaws
It is legally enforceable.	It is not legally enforceable. Minnesota law does not require them to be updated or followed.
Tenants must be notified if/when there are any changes to the lease	There is no legal requirement to notify homeowners if the bylaws are updated or changed.
Court action is necessary for an eviction.	Court action is not necessary to force a foreclosure, even when the mortgage is current.
Landlords need a legally justifiable reason for charging additional fees	Associations don't need a legally justifiable reason or even to declare a reason for assessing a property for any amount at any time.
Mediation is available for resolving disputes between landlord and tenant.	Mediation is not available for resolving disputes between association and/or management company and homeowner.
Minnesota law has a process to address retaliation by a landlord	Minnesota law has no protections for homeowners against retaliation by an association.
Minnesota law allows for the building to enforceable be put into receivership for the protection of the tenants.	There is no process to allow a mismanaged association to be put into receivership for the protection of the homeowners.
If there are liens or fines against the property, the landlord is responsible for resolving it and must provide evidence to a legal authority that the issue is resolved.	An association can assess homeowners for any amount at any time to make up for shortcomings in their business practices, and there is no requirement for them to provide evidence to anyone that the issue has been solved.

Minnesota law allows associations to incorporate as a nonprofit organization, but enforceable does not hold them to the same standards of conduct or business practices as those incorporated for the purpose of being a public charity.

The business practices required by Minnesota law are there to protect the integrity of the organization and to ensure it is operating appropriately. Minnesota law does not have any similar requirements for associations.

Public Charity	Association
Minnesota law requires the board of directors to have a duty of loyalty to the organization.	Minnesota law does not require the board of directors for a HOA to have a duty of loyalty to the homeowners..
If an organization has an income threshold of \$750,000 or more, the state requires them to have an audited financial statement submitted to the attorney general's office.	There is no requirement for the association to have an audited financial statement, regardless of the income threshold.
Public charities are required to file an annual report with the attorney general's office.	There are no reporting requirements of any kind to anyone for an association.
Board members can be held personally liable for financial misconduct.	There is nothing in Minnesota law that makes it illegal for board members to use association money for their own personal purposes. If the board member does steal from the association, the association can recoup the losses from the homeowners without a court action by issuing an assessment on their properties..
Business decisions are supposed to be for the benefit of the organization.	There are no standards of conduct for how a HOA is supposed to be run.
Minnesota attorney general has regulatory authority over organizations operating as a public charity, regardless of the size.	Minnesota attorney general has no regulatory authority over HOA's.
If the organization chooses to apply for federal status, federal law requires there to be a written conflict of interest policy for the board of directors	Most associations do not have the federal designation. However, Minnesota law does not require any type of governing documents that are legally binding.

Other business practices that are missing from Minnesota law:

Issue	Proposed Solution
<p>We have had several major expenditures in the past two years, but we have never been provided with complete and truthful information about why or how they arrived at the conclusion to resolve it in that manner.</p>	<p>Have a third party review contracts, bids, etc., and have that third party provide homeowners of a summary before any contracts are signed by the board of directors, otherwise the contracts are not legally enforceable.</p>
<p>We have a management company that treats us like crap, but we can't get rid of them because their contract is signed by the board of directors they have appointed.</p> <p>We don't usually get a copy of the contract, but the one I was able to get shows they have included multiple ways they financially take advantage of us,</p>	<p>Minnesota law says management companies are supposed to be "neutral" third parties. Give us a way to enforce this, as well as a way for the homeowners to choose the management company.</p> <p>The third party review of contracts should help resolve much of this.</p>
<p>We pay for an attorney who always benefits the management company in her responses.</p> <p>She will often quote law in her responses, but rarely quotes the complete law. For example, in her letter about charging interest on an assessment, she made it seem as though Minnesota law required interest to be charged, when in reality Minnesota law allows it to be charged, but doesn't require it. The other part she left out is that any interest they collect goes to the management company.</p>	<p>Minnesota law says that attorneys are not supposed to represent two related parties without some sort of declaration about it, as well as not use one organization to benefit the other.</p> <p>Have that third party review anything that is sent out for completeness and accuracy and give us a way to deal with it when it is not.</p>
<p>We are supposed to have \$1M in reserves, but none of our board members are signers on the accounts. The money is in a bank in Iowa and only the management company is a signer on the account. "The board" who the management company appointed and refuses to name, wants it that way, according to the management company.</p>	<p>If the board is unwilling to fulfill their fiduciary duty to the homeowners, then let us be put into a receivership of some kind for court monitoring. Given that there is no auditing requirement or reporting requirement, we don't even know for sure that the money exists or how much of it exists.</p> <p>The court monitoring thing could also work in instances such as the association in Minneapolis where they assessed owners \$7,000 to make up for a shortfall in their budget, but refused to say way or if the issue was being addressed for the long term.</p>
<p>We don't know who our board of directors are. We have voted, but the management company refuses to honor the vote and has appointed the board. They never sign any public information and are always referred to as "the board" by the management company.</p>	<p>Regardless of what kind of business they are, all businesses are required to file an annual renewal with the secretary of state's office. In the very least, if they are a nonprofit or an association, naming the board who is in place at the time of the filing should be required.</p>
<p>Assessments can be made for any reason and for any amount.</p>	<p>Require mediation for anything over \$100 and make the board declare how the rest of the community will benefit from the action.</p>