

1-19-06

**PROPOSED STATUTORY CHANGE (515B.1-102)**

515B.1-102 [APPLICABILITY.]

*(f) Section 515B.4-101(e) shall apply to any platted lot or other parcel of real estate that is subject to a master declaration and is not subject to or is exempt from this chapter.*

*(g)(f) Section 515B.1-106 shall apply to all common interest communities.*

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**PROPOSED STATUTORY CHANGE (515B.2-101)****515B.2-101 [CREATION OF COMMON INTEREST COMMUNITIES.]**

(c) In a condominium, a planned community utilizing a CIC plat complying with section 515B.2-110(c), or a cooperative, where the unit boundaries are delineated by a structure, a declaration, or an amendment to a declaration adding units, shall not be recorded unless the structural components of the structures containing the units and the mechanical systems serving more than one unit, but not the units, are substantially completed, as evidenced by a recorded certificate executed by a registered engineer or architect.

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**PROPOSED STATUTORY CHANGE (515B.2-110)****515B.2-110 [COMMON INTEREST COMMUNITY PLAT (CIC PLAT).]**

(a)(2) In a planned community, a CIC plat which does not comply with subsection (c) shall consist of all or part of a subdivision plat or registered land survey complying with subsection (d), or any combination thereof. ~~plats complying with subsections (d)(1) and (d)(2).~~ The CIC plat or registered land survey need not contain the number of the common interest community and may be recorded at any time before the recording of the declaration; provided that if the CIC plat complies with subsection (c), the number of the common interest community shall be included and the CIC plat shall be recorded at the time of recording of the declaration.

(d)(1) comply with chapter 505, 508, or 508A, as applicable; and

(d)(2) comply with the applicable subdivision ~~platting~~ requirements of any governmental authority within whose jurisdiction the planned community is located, subject to the limitations set forth in section 515B.1-106.

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**PROPOSED STATUTORY CHANGE (515B.2-112)****515B.2-112 [SUBDIVISION, COMBINATION, OR CONVERSION OF UNITS.]**

(b) If the unit or units are not owned exclusively by a declarant, the unit owners of the units to be combined or subdivided shall cause to be prepared and submitted to the association for approval an application for an amendment to the declaration and amended CIC plat, for the purpose of subdividing or combining the unit or units. The application shall contain, at a minimum, a general description of the proposed subdivision or combination, and shall specify in detail the matters required by subsection (c)(2) and (3). The basis for disapproval of the application by the association shall be limited to (i) health or safety considerations, (ii) liability considerations for the association and other unit owners, (iii) aesthetic changes to the common elements or another unit, (iv) any material and adverse impact on the common elements or another unit, or (v) a failure to comply with the declaration, this chapter, or governmental laws, ordinances, or regulations. The association shall give written notice of its decision and required changes to the unit owner or owners who made the application. The association shall establish fair and reasonable procedures and time frames for the submission and prompt processing of the applications. *If an application under subsection (b) is approved, the unit owner shall cause an amendment and amended CIC plat to be prepared based upon the approved application.*

~~(c) If an application under subsection (b) is approved, the unit owner shall cause an amendment and amended CIC plat to be prepared based upon the approved application. The *An* amendment *under this section* shall:~~

~~(c)(1) be executed by the association and by each unit owner and any secured party with respect to each unit to be combined or subdivided, *if approved under subsection (b)*;~~

~~(c)(2) assign a unit identifier to each unit resulting from the subdivision, *conversion* or combination;~~

~~(c)(3) reallocate the common element interest, votes in the association, and common expense liability, as applicable, formerly allocated to the unit or units to be combined, *converted* or subdivided among the unit or units resulting from the subdivision or combination, *or among all units in the case of a conversion, as applicable*, on the basis of the formula described in the declaration; and~~

(e) If the unit or units are owned exclusively by a declarant, the declarant shall have the authority to unilaterally prepare and record, at its expense, an amendment and an amended CIC plat subdividing, combining, or converting the unit or units. The amendment shall comply with subsections (c)(1), (2), (3), and (4), and shall be limited to those provisions necessary to accomplish the subdivision, combination, or conversion unless the consent of unit owners required to amend the declaration is obtained.

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**PROPOSED STATUTORY CHANGE (515B.2-121)****515B.2-121 [MASTER ASSOCIATIONS.]**

(f)(1)(vii) a statement of the total number of units and other parcels of real estate intended for private ownership and use ~~residential use by a person or the person's tenants~~ that are (i) subject to the master declaration as initially recorded and (ii) intended to be created by the addition of real estate or by the subdivision of units or other parcels of real estate; and

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**PROPOSED STATUTORY CHANGE (515B.3-115)**

**515B.3-115 [ASSESSMENTS FOR COMMON EXPENSES.]**

(a)(2)(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 the 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.

*Approved  
1-28-06*

*Not included in this print.  
515B.4-102 \* 10 days  
Approved 1-28-06*

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**PROPOSED STATUTORY CHANGE (515B.4-101)****515B.4-101 [APPLICABILITY; DELIVERY OF DISCLOSURE STATEMENT.]**

(e) A purchase agreement for the sale, to the initial occupant, of a platted lot or other parcel of real estate (i) which is subject to a master declaration, (ii) which is intended for residential occupancy, and (iii) which does not and is not intended to constitute a unit, shall contain the following notice: "The following notice is required by Minnesota Statutes: The real estate to be conveyed under this agreement is or will be subject to a master association as defined in Minnesota Statutes, chapter 515B. The master association ~~shall be obligated to provide to the buver purchaser~~, pursuant to Minnesota Statutes, Section 515B.4-102(c), upon the buver's purchaser's request, a statement containing the information required by Minnesota Statutes, section 515B.4-102(a)(20), with respect to the master association, prior to the time that the buver purchaser signs a purchase agreement for the real estate. The statement contains important information regarding the master association and the buver's purchaser's obligations thereunder." A claim by a buver purchaser based upon a failure to include the foregoing notice in a purchase agreement:

(e)(1) shall be limited to legal, and not equitable, remedies;

(e)(2) shall be barred unless it is commenced within the time period specified in section 515B.4-115(a); or

(e)(3) may be waived by a separate written document signed by the seller and buver purchaser.

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**PROPOSED STATUTORY CHANGE (515B.4-102)****515B.4-102 [DISCLOSURE STATEMENT; GENERAL PROVISIONS.]**

(23)(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a ~~buyer~~ purchaser referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20) is not liable to the ~~buyer~~ purchaser for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.