

Written Testimony with Input to Senate File 1063

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Chair Klein, Vice Chair Seeberger, Ranking Minority Member Dahms, and Committee Members:

Thank you for the opportunity to provide testimony on Senate File 1063. My name is Lance Stendal, and I serve as President of Omega Property Management, a company that manages over 100 homeowner associations across Minnesota. I've worked in HOA management for 23 years, and I'm writing today to provide constructive input to this bill.

First, I applaud the amendment which provides for a more balanced process for the association and unit owners to resolve disputes and provides an opportunity for associations to request dispute resolution services. I have managed many communities that felt their only recourse was to levy fines or seek legal relief when meeting instead with a neutral third-party who has knowledge of the industry would be more productive.

Regarding Article 2, I have some input that I hope the Committee will take into consideration.

1. 4.30 – Most associations do not have a “physical address” as they are a collection of many – potentially hundreds – addresses in the community. Which address should be used? I think using language that is more consistent with 5.34 Annual Renewal Filings with the Secretary of State for corporations would be more appropriate and create less confusion.
2. 5.5 – I think in this instance you should consider using the more narrow term of “units” rather than “parcel”. For example, a ‘townhome’ association may consist of 88 residential units but then also have numerous separate parcels which are common elements – this will lead to a higher reporting number. I think the intent here is to know how many living units are in the association rather than the total number of parcels in the association. Making this change will help achieve the Working Group’s larger goal of understanding the quantity of living units controlled by associations.
3. 5.8 through 5.18 – The statute should also be made applicable to a Declarant as defined in 515B.1-103(15). I do not understand why the state would want to make

this applicable to a Master Developer only and not to a Declarant as most communities are built without a Master Developer so would have limited applicability. It seems to me, for the purposes of the objectives of this bill, it would be important to register the Declarant.

4. 5.20 – Please consider amending so wording is similar to 5.8-5.10: “~~For~~ ~~C~~common interest communities or associations governed by chapter 515B that contract with a property management company, the register must also ~~provide~~ include the following information:”

Thank you for your attention and consideration.