

SF 1750

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I am starting my seventh year as the board president for an independent senior living cooperative in Minnetonka. Prior to that I served as board president of a townhome community in Minnetonka for seven years.

I'm unable to appear to provide testimony so am submitting it in written form.

After reading SF 1750 as well as the final Study Report (February 2025), I have several serious concerns.

- It will raise costs for common interest communities that will have to be passed on to our shareholders. We are required to submit our 2025-2026 fiscal year budget to HUD by the end of April and will have no idea how much to budget because of the additional costs imposed on us.
- We have regular monthly listening sessions where our shareholders can question board decisions, make recommendations, ask question, and say anything they want.
- We have participation by our shareholders on a number of committees. The Finance Committee recommends a budget to the board. It is made up of shareholders; board members may not be committee members. A board member acts as a liaison to the board, but she/he does not get a vote and is there to bring questions or issues to the board from the committee.
- The restrictions will lead to people being unwilling to run for the board.
- I question why there did not appear to be any board members on the Study Group or any property management company representatives. There are two sides to every story, and it appears you only heard one.
- If fines are limited to \$100/time and \$2,500/lifetime, I will give you a real-time example. One of our shareholders decided she didn't like the tables in one of our common rooms. She took it upon herself to sell the very expensive table on Facebook Market for \$300 without asking permission or getting it. The board found a replacement table with a cost of \$5,800, and she was asked to make restitution which she did. If this situation would be viewed as a "fine," she would have paid \$2,500 and the other 53 shareholders would have had to pay the additional \$3,300. This is totally unfair to those others who follow rules.

I would strongly urge you to take a second look at the bills and consider the damage they will do to the great many HOAs and cooperatives who are doing the right things for their members/shareholders, and get opinions from board of directors and management companies.

I oppose this bill for the financial damage it will do to our shareholders and eliminate the need for boards which will result in chaos and property value loss.

Thank you for your consideration.