



April 2, 2025

Senator Ron Latz

Minnesota Senate Judiciary and Public Safety Committee

95 University Avenue W.

Minnesota Senate Bldg., Room 3105

RE: Cities Management Testimony Senate File 1750

Chair Latz, Vice Chair Oumou Verbeten, Committee Members:

Cities Management, an Associa company, currently manages 272 common interest communities, representing 17,812 homes across Minnesota. Our portfolio encompasses a diverse range of housing types, including planned communities, single-family homes, townhomes, condominiums, senior cooperatives, and modular housing. We serve clients spanning a wide geographic area, from the Wisconsin border to St. Bonifacius, and from St. Cloud to Faribault, with home values ranging from \$38,000 to over \$5,000,000.

Cities Management is one of four Associa companies operating in Minnesota, alongside Associa Minnesota, Suddler Property Management, and Sentry Management. Collectively, we represent nearly 50,000 homeowners throughout the state.

As the largest community management firm in North America, Associa boasts over 300 branch offices and serves more than 7.5 million homeowners worldwide. Our team of over 15,000 professionals leads the industry in education, expertise, and innovation. With over 45 years of experience, Associa is committed to delivering positive impact and meaningful value to the communities we serve.

Associa is a trusted leader in community management, dedicated to building strong business partnerships through integrity, expertise, and service. Our values center on excellence, innovation, and accountability, ensuring our clients receive tailored solutions that enhance their communities. Transparency is pivotal in every relationship we build, fostering trust and collaboration as we work together to achieve long-term success.

The Minnesota Common Interest Ownership Act (MN SS. 515B), developed by the Uniform Law Commission in collaboration with the American Bar Association, serves to address CIC-specific issues not covered under the nonprofit corporation's act (MN SS. 317A). The framework ensures that CICs fulfill their core responsibilities, including property maintenance, insurance coverage, utility payments, and essential services for owners. It also establishes the financial structure by which CICs operate, requiring assessments from owners to fund these obligations. Governance is a



community-driven process, with decisions made by the majority and implemented by an elected Board responsible for overseeing operations and ensuring the community's long-term stability.

We fully support the principles of transparency and collaboration in community governance and believe that common interest communities (CICs) play a vital role in maintaining shared properties and ensuring financial stability. While the intent behind proposed legislation seeks to address concerns about homeowner associations, the current language fails to recognize the fundamental role CICs play in sustaining multi-family and shared ownership properties. The legislation, as written, does not distinguish between the diverse needs of communities and would create unintended legal, financial, and operational hardships.

Key provisions in the bill, such as restrictions on contract authority through conflict-of-interest language, mandated legal processes for board members, and limitations on assessment collection, undermine the ability of CICs to function effectively. As written these measures would place an unfair burden on responsible homeowners, immediately increase costs, increase unnecessary litigation and erode the financial health of associations. The imposition of arbitrary fee caps and foreclosure limitations ignores the financial realities of community management, ultimately shifting costs to compliant homeowners while incentivizing non-payment.

Legislation impacting CICs must be developed with input from all stakeholders to ensure that policies address real concerns without jeopardizing community operations. Boards must retain the authority to act in the best interests of their communities, balancing homeowner rights with financial responsibility. We urge legislators to engage with associations, legal experts, and homeowners to refine this bill, ensuring it protects residents while preserving the long-term sustainability of common interest communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt McNeill', is positioned below the 'Sincerely,' text.

Matt McNeill
President
Cities Management an Associa Company