



March 24, 2021
Chair Youakim
Members of the House Property Tax Division

Re: The Municipal Legislative Commission's Comments on the Property Tax Division Report

Chair Youakim and Members of the House Property Tax Division ("Division"),

I write on behalf of the Municipal Legislative Commission (MLC), a coalition of 19 suburban cities, to share our collective thoughts on the Property Tax Division Report ("Report").

MLC greatly appreciates the Division's support of Tax Increment Financing Flexibility to provide the necessary but temporary proposed statutory flexibility, regarding the use of unencumbered TIF increments. The language included in the Report expanding the pooling rules to allow for expenditures of increments on certain housing projects and extending the five-year rule to ten years for redevelopment districts certified after December 31st, 2017 will give our cities the fiscal flexibility we need as we continue to look for ways to provide meaningful housing and redevelopment options for our residents as a result of the pandemic.

MLC also supports the creation of the fire protection special taxing districts, which will allow cities more opportunities to provide these important services to their communities.

Finally, we also support the affordable housing provisions in this bill, including the requirement to have the Commissioner of Revenue produce a report on class 4d property and on local 4d affordable housing programs, increasing the homestead credit refund, and reducing the co-pay percentages for the renter's credit between 5-15%. These provisions will assist in making housing more affordable for our residents, especially for those with low incomes who have suffered so much economic hardship in the last year.

We have a singular concern to raise as well, and that concern is regarding the proposed addition of Rep. Marquart's HF 496 on property tax notification changes. While we, like all of you including Representative Marquart, support transparency in government regarding its cost, our cities are already ensuring that the public is able to access, understand, and have input into the property tax structure in their communities. We believe the recommendations made by Rep. Marquart's proposed bill are overly proscriptive and logistically difficult to accomplish. Understanding the goal in mind, we therefore request to work with the Committee to find other solutions to ensure that the property tax process is as transparent as possible but not in the manner suggested by Representative Marquart.

Thank you again for all of your work on the Property Tax Division Report, and please do not hesitate to reach out to us if we can be of any assistance in creating the best possible legislation for all cities in our state.

Sincerely,

A handwritten signature in black ink, appearing to read "James B. Hovland", written over a horizontal line.

James B. Hovland
Mayor, City of Edina
President, MLC