



3/15/2022

Representative Cheryl Youakim  
591 State Office Building  
St. Paul, MN 55155

Representative Kristin Bahner  
525 State Office Building  
St. Paul, MN 55155

Dear Representatives Youakim and Bahner,

On behalf of the 837 members of the League of Minnesota Cities, I would like to express our organization's support for HF3518 and HF3866, your bills that would modify the current homeowner property tax refund program to provide qualifying homeowners with additional state paid property tax refunds when they experience a large annual property tax burden relative to the homeowner's income.

The League's legislative policies, which are annually developed by members from cities across the state, include a position that specifically supports programs that provide direct state-paid relief to property owners based on their property tax burden relative to their ability to pay as well as programs that offset the property tax increase for homeowner's with relatively large annual tax increases.

Under the homeowner property tax refund program, a homeowner whose property tax burden exceeds certain income thresholds would be eligible for a state-paid refund to offset the property tax burden. The refund maximum is phased-down for homeowners with higher incomes and requires a higher "co-pay" for claimants with higher incomes. HF3518 would enhance the tax relief provided to eligible homeowners by reducing the co-pay percentage and increasing the maximum refund at all eligible household income levels (up to \$126,290) and would reduce the eligible household income threshold for household incomes between \$21,200 and \$32,800. HF3866 would increase maximum refunds, extend the program to household incomes up to \$155,000 and would increase the exemption for seniors and claimants with disabilities.

These bills will be especially helpful for many homeowners across the state who, over the past several years, have experienced higher property taxes due to home valuation increases relative to household income. In addition, the state's property tax system has in many instances further increased homeowner taxes through shifting property tax burdens from other types of property. Your bill would assist qualifying homeowners through a state-paid refund rather and would not shift homeowner taxes to other types of property.

Again, the League supports your effort to assist homeowners with high property tax burdens relative to income. The League of Minnesota Cities looks forward to helping you advance this important legislation.

Sincerely,

A handwritten signature in black ink that reads 'Gary N. Carlson'. The signature is written in a cursive style with a large initial 'G'.

Gary N. Carlson  
League of Minnesota Cities