



3/15/2022

Representative John Huot  
583 State Office Building  
St. Paul, MN 55155

Dear Representative Huot,

On behalf of the 837 members of the League of Minnesota Cities, I would like to express our organization's support for HF3725, your bill that would increase the current "additional property tax refund" program, also known as the "Targeting" refund, which provides qualifying homeowners with a state paid property tax refund when a homeowner experiences a large annual property tax increase.

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 current Targeting program, a homeowner who has lived in a home in the current year and the past year that experiences a tax increase in excess of 12 percent and the increase is greater than \$100, the homeowner is eligible to receive a state-paid refund equal to 60 percent of the increase over 12 percent up to a maximum refund of \$1,000.

Under your bill, the threshold for eligibility is expanded to homeowners who experience an increase of ten percent or more and the maximum refund is increased to \$2,000.

Your bill will be especially helpful for many homeowners across the state who, over the past several years, have experienced rapid increases in their property's valuation and their property tax burden as home values have been driven up by high demand. Additionally, homeowner property tax increases have been exacerbated by indirect tax shifts from other types of property that have experienced slower growth. It is also important to note that your bill would assist qualifying homeowners through a state-paid refund and would not shift homeowner taxes to other types of property.

Again, the League supports your effort to assist homeowners with the rapidly increasing tax burdens associated with the high demand from owner-occupied housing. 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