



DEDICATED TO A STRONG GREATER MINNESOTA

April 7, 2021

Rep. Marquart and members of the House Tax Committee,

On behalf of the member cities of the Coalition of Greater Minnesota Cities, I would like to thank you for the opportunity to comment on various elements of H.F. 991, the Omnibus Tax Bill. Specifically, I would like to thank you for the inclusion of many provisions that will benefit communities in Greater Minnesota, especially the following:

- **Article 4, Public Safety Sales Tax Exemption.** The ongoing sales tax exclusion for public safety facilities will assist cities in fulfilling their obligations to their residents and businesses to provide public safety and to do so without undue burden on local property tax payers.
- **Article 7, Commercial Industrial Market Value Exclusion.** The expansion of the Commercial Industrial market value exclusion from the state general tax to \$150,000 will provide much needed relief to businesses across the state, including those small businesses that are the backbone of our Greater Minnesota communities.
- **Article 7, Fire Protection Special Tax Districts.** The creation of fire protection special taxing districts will give more cities across the state options for working with other local governments within their region to provide fire protection services reducing duplication and providing for greater efficiency in staffing and funding.
- **Article 9, Local Taxes.** Thank you for the inclusion of numerous local sales tax provisions for cities across the state. These allowances for cities to use local sales taxes ensures that important regional capital projects can be funded, providing services and amenities to residents, businesses, and visitors. We do have concerns however about what appears to be a blanket prohibition on allowing transportation related projects despite no explicit statutory bar, and in contradiction to most recent past practice in 2019.
- **Article 10, Tax Increment Financing.** We appreciate the inclusion of numerous provisions to make the use of TIF and TIF revenues more flexible for cities both in response to COVID-19 and over the long term. In particular the change in law permanently extending the five-year rule to ten for redevelopment districts has been a long time goal of CGMC.

In conclusion we appreciate the work that both the Property and Local Tax Division under Rep. Youakim and the full House Tax Committee has done to strengthen local communities. We look forward to working with you, your other colleagues in the House, the State Senate and the Walz

administration to ensure that cities in rural Minnesota emerge from the pandemic even stronger than they were before and are poised to continue to be great places to live, work, and play.

As always please do not hesitate to be in touch if there is anything that we can do to assist you in your work.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradley Peterson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bradley Peterson
Coalition of Greater Minnesota Cities