



June 14, 2021

Dear Chair Marquart and Members of the House Tax Committee:

On behalf of the Association of Minnesota Counties (AMC), an organization representing all of Minnesota's 87 counties, we thank you for your diligent and persistent work in negotiating an omnibus tax bill agreement. Of foremost priority for counties this year, we thank you for the bipartisan support of the youth homelessness prevention aid found in Article 7, Section 2 of the tax bill. As county commissioners from all corners of the state testified to during this session, homelessness does not occur in a bubble around the metro. Studies already show that a lack of access to stable housing has negative impacts for individuals, families, health systems, and local economies. This locally-oriented, flexible, and long-term approach will produce tangible results and do good for those most egregiously affected by homelessness: youth and their families. Counties stand eager to help administer this aid and partner with local affiliates, non-profits, and agencies to do the most good with this valuable resource. We thank Chair Gomez, Rep. Neu, Chair Marquart and many others for their authorship, thoughtful policy suggestions, and advocacy throughout session.

In addition to this county priority, AMC is grateful for the inclusion of the following provisions:

- **Volunteer Driver Reimbursement** (*Article 1, Section 7*): AMC is grateful for the inclusion of the Senate's proposal to provide an income tax subtraction for volunteer mileage reimbursement rates that is equal to the current business mileage rate. As Isanti County Commissioner and former AMC President Susan Morris testified, volunteer drivers are fulfilling a critical service in communities across the state, providing transportation to a variety of community members including seniors, children, and veterans to and from medical appointments, after school events, trips to VA clinics, and more. We join many others in believing these selfless community volunteers should not be penalized via an outdated tax structure that does not recognize their service.
- **Minnesota Housing Tax Credit and Contribution Fund** (*Article 1, Sections 12, 14-15*): County commissioners across the state agree that a lack of housing accessibility (affordable, workforce, and emergency/shelter housing) is having adverse impacts on individuals, families, local economies, health outcomes, and even the property tax system. The housing crisis in Minnesota is real and requires a multifaceted approach that includes financing mechanisms that incentivize private investment in meeting our workforce housing needs. AMC thanks Senator Nelson for her authorship of the Minnesota Housing Tax Credit and sees this proposal as one of many tools in a broader array of options geared at promoting state, local, and private investments in the housing market.
- **Local Options Sales Tax Mechanisms** (*Article 8, Sections 3, 9, 13*): AMC appreciates the bipartisan and bicameral support for the county-included local options sales tax mechanisms for Carlton, Mille Lacs, and Itasca Counties.

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In closing, counties wish to respectfully weigh-in on two other facets of tax negotiations and/or issues:

- **Property Taxpayer Statements:** We thank Chair Marquart and conferees for their willingness to take feedback regarding the property tax information related provisions originally included in the House omnibus tax bill. While the resulting language is still not counties' preferred route, we appreciate changes made throughout the legislative process and will work with the author and legislature during interim to ensure proper implementation. In turn, we hope legislators may be open to any useful feedback or suggested revisions counties/local governments may have after we implement this new mandate.
- **State Assessed Property Tax Disputes:** Lastly, as members are aware, a time-sensitive decision regarding the Enbridge vs. Minnesota Department of Revenue property tax court case requires immediate attention by the Legislature. In early June, the Department of Revenue decided not to appeal assessment years 2013-2016 of the contested valuations. *As such, 13 Northern Minnesotan counties stand to be on the hook for millions of dollars of refund order paybacks for properties they did not assess nor defend during the almost decade-long tax dispute.* AMC is thankful that the House and Senate have held multiple hearings throughout the last decade on this issue but underscores the urgency needed to provide relief for these Minnesota communities, residents, and taxpayers who were not at fault for these outcomes. AMC understands this issue is still being discussed at a leadership level and is hopeful of its inclusion in some form of legislation prior to Special Session adjournment.

Once again, AMC thanks the Chair, members, and staff for their hard work in putting together the bill and for the considerations lent to counties and AMC throughout session. Please do not hesitate to reach out if we can be of any assistance in the days ahead.

Sincerely,



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