

Hello Representative Hertaus and Chair Youakim.

Thank you for authoring [HF2800](#).

Affordable housing is a significant public policy challenge. Efforts to help keep people in their homes, and support housing investment across the full continuum is a MICA priority for 2022.

As such, MICA supports the HF2800 proposed change to eliminate the 10% floor on the statutory interest rate to be charged on delinquent property taxes. This is a long overdue policy change that disproportionately harms those already struggling to pay back taxes and remain in their homes, which directly aligns with the goal of promoting homeownership and affordable housing.

The housing crisis in Minnesota warrants an ‘all hands on deck’ strategy. In that regard, we also appreciate the intent of the language authorizing an even lower interest rate, or no interest charge for property taxpayers struggling to pay back taxes. As structured, the language would potentially allow for 174 different local interest rates as each county could set a separate rate for delinquent taxes and for repurchase of tax forfeited land. And as also structured, once set, that lower rate would apply to all taxpayers—regardless of class of property, nature of hardship, or potentially no hardship at all. On that last observation, as the legislation moves forward, we hope to continue working with you as authors and with stakeholders to ensure that the goal of enhanced authority for counties to promote retention of owner-occupied housing is achieved without unintended consequence. One possible idea is to instead adjust interest abatement authority to achieve the same goal.

Again, thank you for carrying HF2800.

Matt

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