



April 6, 2021

Dear Chair Marquart and Members, House Taxes Committee:

Thank you for the opportunity to comment on HF 991-Marquart, the omnibus tax bill. This bill contains several provisions of interest to Metro Cities, outlined below.

*Article 7, Sections 18-21:* These sections modify annual local tax notification requirements. Metro Cities appreciates the intent of the author to increase public participation in the local budget setting process, however, the additional requirements are likely to result in increased administrative burdens for cities. Metro Cities supports current requirements that provide opportunities throughout the local budget setting process for public comment and participation.

*Article 9:* Metro Cities does not take positions on city-specific bills, but the association's policies support a state and local revenue system that allows for greater revenue diversification and access for cities, including the ability of cities to impose local option sales taxes and local lodging taxes to address certain local needs and improvements.

*Article 10, Sections 1-4:* Metro Cities supports the changes to tax increment financing laws included in the bill that provide additional flexibility, including temporary flexibility in the use of unobligated increment to address local city and business needs related to COVID-19, expanding pooling rules to allow for the use of increment on certain housing projects, allowing cities to transfer increment to a local housing trust fund, increasing the percentage a district may use for housing, and extending the five year rule to ten years for redevelopment districts certified after December 31, 2017, as well as the corresponding change for the six year rule.

*Article 13, Sections 7 and 8:* Metro Cities policies support expanding direct property tax relief and supports the increase in the maximum homestead credit refund, and the reduction in co-pay percentages for the renter's credit included in HF 991.

*Article 13, Section 24:* Metro Cities supports the 4d low-income rental classification program reporting language that requires a study and report of the impacts on local tax bases of a reduction of the 4d class rate to .25%.

Thank you, Mr. Chair and members, for the opportunity to comment on HF 991. I would be happy to provide further information. I look forward to working with you as the bill advances this session.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Nauman". The signature is fluid and cursive.

Patricia Nauman  
Executive Director