Dear Chairman Carlson and Committee Members:

Minnesota Lakes and Rivers Advocates represents riparian influenced property owners and lake associations state wide. MLR has over 250 lake association members and more than 6,000 individual members, as well as anglers, resort owners, marina owners and local businesses.

I am writing to you today in lieu of testimony concerning HF 3286 (Ecklund) as amended by the DE1 amendment.

Our primary concern is an impact to the seasonal recreational residential (cabin) portion of the state general tax. Seasonal recreational properties pay a portion of the statewide general tax (SGT) which last year was approximately $42m. The proposal as drafted could have an inverse impact on properties that do not meet the definition of the new classification by shifting SGT liabilities to a smaller universe of properties thereby increasing SGT obligations for cabin properties that are not engaged in vacation home rental activities.

The trigger of 14 days in the preceding year may warrant adjustment in order to more accurately reflect the differences between a dedicated enterprise and an occasional rental that is used to offset existing property tax liabilities. The effective date is also of concern.

We appreciate the complexity of this issue. In 2008 we participated in an Explore MN Tourism working group to try and tackle the subject. The difficulty then, as now, is accurately identifying how many properties this change will impact, and what shifts would occur.

We stand ready to work with the author and interested parties going forward in working towards an equitable resolution.

Sincerely,

Jeff Forester, E.D. MLR
612-961-6144
jeff@mnlakesandrivers.org