



Minnesota Inter-County Association

(651)222-8737 | www.mica.org

Sent Via Email

March 23, 2021

Representative Paul Marquart, Chair
House Committee on Taxes
597 State Office Building
St. Paul, MN 55155

Chair Marquart and Committee Members:

Thank you for the opportunity to comment on HF1733, authorizing a \$25 fee on mortgage and deed transactions to fund Soil and Water Conservation Districts (SWCDs) while making counties ineligible for Clean Water Fund grants if the fee is not imposed, with certain exceptions.

On behalf of the fifteen members of the Minnesota Inter-County Association (MICA), we share the concerns put forward by the Minnesota Association of County Officers (MACO) that inconsistent transaction fee levels will inevitably lead to confusion, inefficiency, and increased filing errors impacting the work of recorders, lenders, and consumers.

In addition, member counties observe that the property tax levy they already allocate to SWCDs provides a more reliable funding source than would the proposed fee. The fee may provide more, or less, funding than current SWCD budgets. Further, as mortgage and deed transactions are dependent on regional housing and consumer trends, the proposed fee would be less predictable than the collaborative funding and working relationship that now exists between most county boards and SWCD's.

To the extent funding commitment to SWCD's varies across counties, making all counties generally ineligible for Clean Water Fund grants unless the transaction fee is imposed seems overly broad, especially if current SWCD funding is already at or near the level that would be generated by the fee.

We appreciate that there is an ongoing discussion regarding funding adequacy for the important work of SWCDs. We respectfully request the committee and the legislature consider alternative approaches.

Again, thank you for the opportunity to comment on HF1733.

Matt Massman, *Executive Director*
Minnesota Inter-County Association