

Rep. Andrew Carlson
Chair, House Property and Local Tax Division
479 State Office Building
St. Paul, MN 55155



Dear Rep. Carlson,

On behalf of the Cook County Chamber and the Short-Term Renters Homeowner Coalition, I am writing to thank you for including HF3826 in the Division Report, HF346.

It is critical to have resolution of this issue this legislative session. The May 2019 Minnesota Department of Revenue's advice to assessors that vacation homes shared with renters be treated as commercial businesses in the future would have significant impact on regions dependent on tourism. Minnesota's tourism industry is already at risk because of COVID19.

Cabin and condo rentals play a critical role in the economy of Cook County and communities across Minnesota. First, many counties have short-term vacation rental property. Second, every county has hundreds or even thousands of residents who take advantage of Minnesota's great opportunities to stay in the state when they vacation. If we double or triple the taxes for short-term rental cabins and condos, many owners will pull their properties from the rental market or sell. This would diminish access to the state's great outdoors and lead to additional job losses across Greater Minnesota.

We believe it is reasonable to ask cabin owners to pay a little more in taxes because they receive rental income, but we shouldn't tax them as if they were a full-time business either.

We support the short-term rental classification language in this bill (Section 2). It offers a fair compromise that reflects the typical residential and commercial aspects of these properties, that avoids doing significant damage to our economy, creates consistency and certainty across Minnesota and imposes a minimal burden on county assessors.

We appreciate the hard work of the Division to come up with a solution that balances the basic fairness of how we tax property with the tremendous benefits that come with encouraging more tourism within the state of the Minnesota. We urge the Legislature to adopt this proposal this year.

Sincerely,

Jim Boyd
Executive Director
Cook County Chamber of Commerce