



DEDICATED TO A STRONG GREATER MINNESOTA

April 30, 2020

Representative Andrew Carlson  
557 State Office Building  
St. Paul, MN 55155

Dear Chair Carlson and members of the House Property and Local Tax Division,

I am writing on behalf of the cities of the Coalition of Greater Minnesota Cities (CGMC) in support of HF 3876 and the proposed A2 amendment. We are extremely grateful to Rep. Petersburg for working to bring the original bill to the committee, and CGMC strongly supports the provision to extend the five-year pooling rule to 10 years for redevelopment TIF districts in Greater Minnesota.

We also support the provisions contained in the A2 amendment. As our state contends with fallout from the COVID-19 virus and actions taken to mitigate its impact, local governments – like the state of Minnesota itself – are concerned with the potential for significant revenue losses over the coming months. Whether it is a decrease in property tax collections, reduced collections from various local taxes, or a drop off in fee revenue that supports programs, services and facilities, it is an absolute certainty that cities will face revenue shortfalls and many tough decisions related to city operations.

In this environment there is no effort too insignificant that be taken to deal with the troubles to come. The Legislature should turn over every rock in search of ways to assist businesses, local governments, and all Minnesotans. The provisions of the A2 amendment will certainly give some cities a measure of flexibility to deal with uncertain cash flow and reduced revenue. The Legislature should pass the provisions in HF 3876 as amended.

However, these tools will only go so far and they will only help a handful of cities that have special taxes or TIF districts to draw from. There are two things that the state can do to help all cities in the coming months. The first is to ensure that a portion of the money that the state has received through the federal CARES Act is directed to cities to help pay for expenses related to the COVID-19 response. The second, and most important thing that the state can do, is ensure that cities receive their 2020 local government aid (LGA) payments on time and in full. Continued commitment to LGA will be a critical element in making sure that cities, especially cities in Greater Minnesota, are able to provide the services and infrastructure to support economic recovery after the virus.

Thank you,

Bradley Peterson  
Executive Director, Coalition of Greater Minnesota Cities