



March 10, 2026

**Chairs Gomez, Davids, and Members of the House Committee on Taxes,**

On behalf of the Minnesota Inter-County Association, League of Minnesota Cities, and Association of Minnesota Counties, we write to show our support for HF3657 (Norris) which would establish a property tax task force and require a report be submitted to the legislature.

**Local Government Levies Increasing Due to Budget Pressures**

In 2026 property taxes increased by 6.4% statewide across all jurisdictions, the largest increase since 2008. Numerous factors led to county budgets in particular increasing at above average rates. When HR1 was signed into federal law in July 2025 it created cost shifts to counties at the administrative level as well as reducing federal funds provided to cover the SNAP and Medicaid benefits. In 2024 the value of this federal support was nearly \$150 million, projected to grow from there. HR1 also imposed eligibility changes that will increase the amount and complexity of county administrative work - all done in antiquated technology systems. Not to mention state aid to counties and cities have not kept pace with inflation, transferring more of local government budgets to the property tax levy.

**Value Changes Impacting Property Taxes**

An often underdiscussed component of the property tax system is that value changes from year to year have an ongoing impact on property tax bills. The 19% average statewide jump in residential homestead value in 2023 is still impacting property taxes homeowners pay today, even more so in years when levies increase at above average rates. Residential homestead values have increased on average by more than commercial values in eight of the nine last years.

**Property Tax Task Force**

We appreciate that this task force language looks specifically into how property taxes are changing for homeowners in this changing economy. Every biennium well intentioned individual property tax exemptions or changes become law that make the system a little more complicated. Those exemptions layer on top of one another and the property tax burden shifts to homeowners. A property tax task force that looks into this and provides recommendations on the best tools to address it is a timely and important step for the legislature to take.

Sincerely,

Nathan Jesson, Minnesota Inter-County Association

Matt Hilgart, Association of Minnesota Counties

Beth Johnston, League of Minnesota Cities