



April 6, 2021

Dear Chair Marquart and members of the House Tax Committee:

On behalf of the Association of Minnesota Counties (AMC), an organization representing all of Minnesota's 87 counties, we thank committee members and staff for their diligent work this session and for the recent release of the House omnibus tax bill, represented in the A21-0146 delete all amendment to HF 991. For your convenience, AMC has summarized our feedback on the bill into the following sections:

Youth Homelessness Prevention Aid (*Article 8, Section 4*): As county commissioners from all corners of the state testified to during this session, homelessness does not occur in the vacuum around the metro. Studies already show that a lack of access to stable housing has negative impacts for individuals, families, health systems, and local economies. Relevant to the Tax Committee, counties have found that the lack of housing security across the state is having disproportionate impact on the cost of support services they provide, which is leading to a trend of increasing levies attributable to human services budget items. This finding underscores the need to see homelessness as a statewide problem that requires a statewide solution. We appreciate Chair Gomez's thoughtful approach to address the most egregious cases of homelessness: youth homelessness. As one county staff member from greater Minnesota stated in a recent AMC survey: *"Nothing is sadder and more troubling than hearing about a child who goes to school with your kids that has no place to call home at the end of the day."* With the reduced appropriation number—compared to the original proposal—AMC would like to work with the author and staff to consider a certification and redistribution process to maximize limited dollars to the communities in need and with systems set up for immediate work.

County Business Grant Relief Program (*Article 8, Section 5*): Counties' number one priority in 2020 and 2021 has been responding to the effects of the pandemic and supporting a robust, equitable, and sustainable recovery. Last year, counties spent over \$100 million of federal CARES Act resources to assist businesses, nonprofits, and local industries in dire need. In December, the Legislature entrusted counties with an additional \$115 million in targeted business relief dollars resulting in counties working around the clock to create programs, guidelines, applications and distribute thousands of assistance grants within weeks. *In total, counties have stepped up to provide over 15,000 grants to Minnesota-based businesses and nonprofits.* If this provision passes, counties will once again stand ready to help in any way we can to get this much-needed continued assistance out to our local business communities.


Property Taxpayer Day and Supplemental Information Mandates (*Article 7, Secs. 18-21*): AMC is thankful for Chair Marquart's willingness to amend his original HF 496 but still have concerns about the logistical challenges and total benefit of the proposed language in Article 7. We suggest alternative language that would provide flexibility for locally elected leaders to select communication and outreach methods best suited to meet the needs of their communities, residents, and taxpayers. We hope legislators will further consider these suggestions as the session continues.

4d Report Language (*Article 13, Section 24*): AMC understands and supports the desire to further study class 4d housing programs. Recently, county property taxpayer services departments have pointed out that the required level of detailed information required on lines 230.30-231.27 is significant and may not be entirely clear to assessment staff, resulting in incomplete or inaccurate findings. In addition, staff are checking to make sure that data required to complete the mandate will be provided in time to meet the currently outlined DOR report date of November 1, 2021. AMC and MAAO are supportive of the general report language but would like to work with authors and staff to ensure final language is administratively achievable and achieves the intended outcome.

State Assessed Property Tax Disputes: A timely development regarding the Enbridge vs. Minnesota Department of Revenue property tax court case may require immediate attention by the Legislature should the state decide not to appeal their ruling. At risk are 13 northern Minnesotan counties who stand to be on the hook for millions of dollars of refund order paybacks for properties they did not assess nor defend during the almost decade-long tax court dispute. AMC is thankful the House has already held hearings on this issue in prior sessions and is hopeful that should the need arise, the legislature will act in a bipartisan fashion to provide relief for Minnesota communities, residents, and taxpayers not at fault for these outcomes. We also support the committee revisiting efforts to look at the underlying rules used to assess these properties to see if changes are needed to make the assessment of these properties more dependable.

Once again, AMC thanks members and staff for their hard work in putting together the bill. AMC and counties stand ready to help in any way we can.

Sincerely,



Matt Hilgart
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Association of Minnesota Counties