

February 8, 2021

Representative Paul Marquart
Tax Committee Chair
MN House of Representatives
St. Paul, MN 55155

RE: H.F. 496 NOT NECESSARY, NOT SUSTAINABLE

Chair Marquart:

As an organization, the Range Association of Municipalities & Schools (RAMS) represents 57 public sector bodies within the Taconite Assistance Area of Minnesota. Most of the communities would be impacted by the proposed H.F. 496 and from all indications, most if not all cannot understand the need for this legislation. Few issues in local government are as public developing and setting the annual tax levy. Townships hold annual meetings where citizens vote directly on the annual budget and any proposed levy increases. Other city and county government bodies have to set a preliminary levy in September and then hold a public hearing before voting on the final budget and levy.

Asking small cities to secure the volunteer services of 9 members is a challenge few believe is doable. Finding 9 community members who would be readily able to understand the nuances of levies, local taxation and budgeting criteria is another threshold few believe they could accomplish. What is the penalty for non-compliance? No one in local government is opposed to transparency and public engagement in the process, but the overwhelming response, is that is already happening under the current rules in place.

Please accept that RAMS on behalf of our 57 local communities including 15 public schools stands in opposition of H.F. 496. Included below are comments from some of our member communities:

Seems unnecessary, burdensome and redundant to be mandated to form a citizen's committee to provide input into the determination of an annual tax levy when the existing process allows public input via a public hearing prior to the setting of an annual levy that is enacted by publicly elected officials seated to further represent the interests and input of individual citizens. The proposed committee, at my first glance, adds another layer of process oversight that while well intended to increase public input may well simply further convolute the process and make an already difficult task even more of a challenge with added angles of input and rationale. I understand the interest in providing additional opportunity for public participation, but question the need when ample opportunity already exists in the process as is currently arranged.

Not sure if any of that bears any value to you, but figured I'd respond accordingly as encouraged.

Respectfully,
Gary Friedlieb - Virginia City Council Member

The budgets are open meetings so why do they want a task force which would take ever more time and at truth and taxation time they also have the opportunity to make suggestions ask any questions bring any concerns sounds like someone has to much time on their hands.

Glenn Anderson – Babbitt City Council Member

This is why there is the Truth in taxation notification and hearing.

To add additional layers of committee involvement deadlines and participation on top of the current requirements is redundant. The public is given many opportunities now to participate and give input, committee meetings, council meetings, etc.. Looks like yet another solution looking for a problem... I would hope they would be working on more pressing issues.. like the state budget..

Harold R. Langowski P.E.

Clerk-Treasurer

City of Ely

There are an abundance of questions on how and why this legislation is proposed and implemented. The City of Virginia holds open, posted, public budget meetings beginning in August of each year. Citizens are welcome to participate and provide their input. If I read the bill correctly, the committee of nine (in Virginia's case) would only advise, make recommendations but will not have a vote when the budget is set. The City of Virginia already holds a public hearing before the final levy is set in December of each year. It is my view this legislation contains mandates that most of us already practice short of establishing a nine person citizen tax committee. We also have a citizen advisory committee in the form of VEDA that reviews our budget and is the beneficiary of a separate levy. Communication and transparency are key but a legislated mandate is unnecessary. Larry.

Larry Cuffe – Mayor City of Virginia

The City of Tower supports improved transparency and engagement in the budgeting process. However, as the proposed legislation is written, it would add a level of burden that can be a barrier to a sound budgeting process.

LACK OF CIVIC ENGAGEMENT. Not all communities have access to good civic engagement. Assembling nine people, let alone nine people with the appropriate skill set, is at this point an impossibility for our City, which is just at the population threshold. What is the consequence if a community can't assemble nine people?

NON-COMPLIANCE. What are the consequences for non-compliance, in general? Our City is under a great deal of pressure as we attempt to fix past practices that did not align with best management methods. Our watch-dogs would glow over any non-compliance as this rolls out.

TRAINING/FUNDING. Would there be any allocation for training and resources to get City's to be compliance? Training for financial officers? Funds for software to aid in compliance?

Victoria Ranua

Clerk Treasurer

Frankly, I shook my head when I first read this proposed legislation, mandating a committee of nine members! As a community of about 1,000, we always have trouble putting committees together of even four or five! I don 't think we could ever put together a committee of nine, even if we paid a per

firm! Also, in my years in gov't here, I can recall only one person ever appearing to discuss the levy or budget, and he wasn't opposed, just interested in how the levy was established.

Cal Saari – Mayor City of Nashwauk

Thanks for the email. Isn't this why Truth in Taxation is done prior to certifying budgets and the Levy? These ARE public hearings on the budgets and levies. Notification goes out on EVERYONE's property tax statements long before the meeting. Plus all meetings of the City are open to the public and publicly posted for people to attend. We don't need additional committees, especially when small towns already struggle to find volunteers to serve on various boards and commissions. If they don't like what is being done by the Elected Officials, they can have a voice at the next election.

I appreciate the update and hope RAMS and our elected officials recognize that processes are already in place and we don't need any additional costs or layers to government. Citizens just need to take the self-initiative to voice their comments at any meeting that is already opened to the public, go to Truth in Taxation meetings, serve on their community boards and committees, call their elected officials, meet with city staff, or run for elected office. There is plenty of opportunities for ALL citizens to be a part of the process.

Thanks,
Lana Fralich/Administrator
Silver Bay

I will offer my thoughts as the Executive Administrative Clerk for Gilbert. I am not in favor of this bill. We communicate quite well through our current structure of public meetings and I do not believe a committee structured this way is necessary.

Thank you,
Jim Paulsen/Executive Administrative Clerk
City of Gilbert

Good morning Steve my first thoughts on this was I wondering who the person was that wasn't included in the budget. My concerns with this is that for small city's how they going to find people to advise the council or board. Don't people elect council members and board members to do this. For a city the size of Buhl I know we would have a hard time finding people and be diverse members so I know their population of cities with 500 and more would be difficult. I don't understand the need for this committee if a person wants to have input in their city's or county board budgets, they can go to a budget meeting and give their input and if they don't use that input that's up to the board or council.

Thank you
Stuart Lehman Buhl City Council Member

This legislation is completely unnecessary. From the school's point of view:

1. The school board is elected by the community to make these decisions.
2. Most school board's already have a finance committee which looks into topics like this.
3. This proposal creates a redundant bureaucratic committee. It already is the duty of #1 and #2 to consider these issues.

4. Each school district already notifies the public of its revenue, expenditures, fund balance and other budget information. In addition, all school districts are audited every year.
5. A public meeting already exists that schools must host. It is called the Truth-in-taxation meeting.

Thanks!

Dr. Noel Schmidt
Superintendent ISD #2909

I think the structure of this would be extremely important. I echo Doug's concerns about committee members and their knowledge; some residents may not be aware of all the inner workings of government, and what is required. I know it is a frequent frustration to Townships when their citizens set their levy (often too low) so they are unable to make repairs or purchase needed equipment. However, I feel we may receive more support from the public at large if more members knew how we budgeted and why we did so.

Becky Lammi
City Administrator
City of Aurora

1. Section 4 includes supplemental information for tax notices. This may be a timing issue for school districts as we won't have audited actual financial information from the previous year by the time we need to submit the information to the county for inclusion with the proposed tax statements.

2. Section 5 defines the new, **Minnesota Property Taxpayer's Day**, as the first Wed. following the first Monday in December. The problem here is this seems to require a second meeting in addition to the Truth in Taxation meeting that we are required to hold. What is the purpose of two meetings?

Reggie Engebretson/Superintendent
ISD # 2124 and #712

I read through HF 496 last evening and am astonished that such a proposal was even made!

Issue #1: While we, in Wuori Township have just under 600 citizens, it would be next to impossible to get 9 people to sit on a "Citizens Tax Advisory Committee" within our community. We have some difficulty in getting enough people to serve as Election Judges, and for most people, sitting on a Citizens Tax Advisory Committee would be beyond what they have an interest in.

Issue #2: To what end result is a regulation such as this expected to achieve?

Issue #3: If people are truly interested in participating in the budget process, there is already a means for them to do it, on whatever level they are interested in. For Townships, it is the annual meeting, or just contacting their Supervisors. For Cities, there are budget meetings, and that continues on to the different levels of Government. People are not being shut out from the process that currently works.

Issue #4: This adds just another level to government that is not needed in most areas. If there is a feeling in some areas that this is necessary, then I believe that discussion should be held in that area, and not forced upon all of the different levels of government throughout the state.

Issue #5: This would add extra expense to the operating budgets of ALL levels of government.

I, as a Supervisor in the Town of Wuori, do not support this expansion of government, as it would unnecessarily create an issue that is not an issue at this time. For me, if someone has an issue about our budget, they can certainly contact me at any time as I am open to different points of view. Our budget is open for anyone to see, and they only need to attend the Annual Meeting, or stop by the Township Clerks Office!


As in our Township, at all levels of Government, there are budget meetings, and I think in most cases, citizens are allowed to express their desires there—they just need to attend or write down their concerns and submit them. Setting up Tax Committees would just complicate the process and serve no real purpose.

Sincerely,

Duane Nelson-Supervisor
Town of Wuori
7449 Werner Rd.
Virginia, MN. 55792

Hopefully Chair Marquart, you can see the reaction this proposed bill has in our rural Minnesota communities. Once again on behalf of the members of RAMS, I encourage this bill be denied passage and the legislature return to the more important matter of negotiating a budget bill that will benefit all Minnesotans. Thank you for your years of service to the people of Minnesota.

Sincerely,


Steve Giorgi/Executive Director
Range Association of Municipalities & Schools (RAMS)
sgiorgi@ramsmn.org
218.780.8877

CC: Vice Chair of Taxes Rep Dave Lislegard
2021 Range Delegation Members

Range Association of Municipalities and Schools (RAMS) The organization represents more than 78,000 residents and 57 public sector units of government, including 27 cities, 16 public school districts and 14 townships, in the 13,000 square mile Taconite Assistance Area (TAA) of northeast Minnesota. As an organization, RAMS has represented the interests of the Iron Range region for over 80 years.