



Minnesota Inter-County Association

(651)222-8737 | www.mica.org

Sent Via Email

June 16, 2021

Representative Paul Marquart, Chair
House Tax Committee
597 State Office Building
St. Paul, MN 55155

Chair Marquart and House Tax Committee Members:

On behalf of the Minnesota Inter-County Association (MICA) and its fifteen member counties, thank you for your leadership and diligence negotiating a 2021 Omnibus Tax Bill (HF 9, 1st Special Session of 2021), including provisions that strengthen the ability of counties to respond to various policy challenges.

In particular, MICA supports and greatly appreciates the work of Chairs Gomez, Youakim, Marquart and other legislators to create a new youth Homeless Prevention Aid Program (*Article 7, Section 2*). The number and distribution of students experiencing homelessness demonstrates that youth housing instability is a statewide challenge with significant consequences for the social, educational, and career development of young Minnesotans. Additionally, studies show that youth who experience homelessness are more likely to experience homelessness as adults. The new aid will provide a dedicated flexible resource to enable local partners to help ensure no child is homeless.

We also appreciate the work of Chair Youakim and Representative Her to identify guardrails for the preferential class rate applied to class 4d low-income property (*Article 6, Section 7*), and for temporary uses of tax increment through December 2022 (*Article 9, Section 1*) and owner-occupied housing (*Article 9, Section 2*). With home values on the rise, and uncertainty for small business properties, now is an important time to minimize property tax levy shifts on to homeowners, renters, and small businesses. MICA supports the 4d Affordable Housing Programs Report (*Article 6, Section 19*) to provide a greater understanding of the effectiveness of this program as an affordable housing tool.

Housing supply and affordability is a priority for MICA, and we support efforts across a variety of omnibus budget bills to address temporary and permanent housing needs. Consistent with those goals, we also thank Senate Tax Chair Nelson for authoring the Minnesota Housing Tax Credit and Tax Credit Contribution Fund (*Article 1, Sections 12, 14-15*).



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We are also grateful and support changes to the definition of 'volunteer driver' (*Omnibus Commerce and Energy budget bill*) and the Senate proposal to provide an income tax subtraction in HF9. Volunteer drivers are essential to many local efforts to enable mobility for students, seniors, veterans, and others so that they can access medical services, school, family, social activities and more.

Thank you Chair Marquart for your transparency and openness to county feedback on proposed reforms to required truth-in-taxation notices and public hearings. We appreciate the changes made to the final language and welcome continued opportunities to work with you to ensure the supplemental budget information to be provided under *Article 6, Section 12* will be informative and useful for property taxpayers.

Finally, our thanks to all House and Senate tax bill conferees and all House Tax Committee members for your work throughout the regular and special legislative session to develop a bipartisan 2021 Omnibus Tax Bill.

Sincerely,

Matt Massman, *Executive Director*
Minnesota Inter-County Association