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March 23, 2021

Rep. Paul Marquart, Chair House Taxes Committee

Re: <u>HF 1733</u> (Hansen) Counties allowed to collect soil and water conservation district fees on deed transfer and mortgage registration, and clean water fund grant eligibility for counties

Chair Marquart, Committee Members, and Rep. Hansen:

On behalf of the Minnesota Association of Soil and Water Conservation Districts, thank you for the opportunity to provide input on <u>HF 1733</u> (Hansen) Counties allowed to collect soil and water conservation district fees on deed transfer and mortgage registration, and clean water fund grant eligibility for counties established.

We appreciate the discussion around additional local funding for SWCDs in Section 1 of the bill. We defer to our partners at the Counties, however, as to whether this is a workable option for them, and share some of the concerns they have highlighted. We also recognize that real estate transactions are an extremely volatile area of our economy where there is considerable fluctuation across time and location within the state. In many SWCDs, the funding produced from such a revenue source would be an amount that could perhaps be used to assist with onetime project costs, but could not be relied upon for ongoing budget needs such as retaining qualified resource professionals. At a minimum, any new LOCAL option for funding our statewide SWCD conservation delivery system should not be looked to as a way for the STATE to back away from its funding obligations.

With regard to Section 2 of the bill, we have concerns about the criteria for county eligibility for Clean Water Fund grants. We would not want to penalize counties, for example, for not imposing the deed and mortgage fee increase, as they are an important cooperating partner at the local level in advancing our collaborative work on comprehensive watershed management planning and implementation (1W1P) and other efforts. In addition, with the fees being permissive and with additional considerations for where it would be applied, this would not provide a consistent, statewide approach for addressing a local funding option for SWCDs.

Thank you for your consideration,

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Paul Krabbenhoft President Minnesota Association of Soil and Water Conservation Districts

MASWCD represents the state's 88 soil and water conservation districts, including their 440 elected supervisors and their more than 460 employees. Soil and Water Conservation Districts are political subdivisions of the State established under Minnesota Statute Chapter 103C. Each SWCD is governed by a board of elected supervisors. And SWCD law is implemented across 100% of the state.