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March 16, 2022

**To:** Chair Youakim and members of the Property Tax Committee

**From:** Cathy McLeer, State Director

**Re: AARP Support for HF 3518 and HF 3725**

Dear Chair Youakim and Members of the Committee,

On behalf of our 640,000 membership, AARP appreciates the attention paid to reducing property taxes for seniors, as housing costs can be the largest expense for older Minnesotans and directly affect day-to-day financial security.

The vast majority of adults over the age of 65 want to stay in their homes as long as possible, and challenges like housing costs and financial uncertainty can put that possibility out of reach. Property tax continues to be among the most financially burdensome for low-income seniors on a fixed income and people with disabilities to absorb. As home values continue to spike, homeowners and renters alike can struggle to keep up with paying property taxes.

Overall, AARP believes circuit breakers, as envisioned in Representative Youakim's **Homestead Credit Refund bill (HF 3518)**, are among the most cost-effective approaches to property tax relief because they target assistance to households with the least ability to pay, rather than providing more expensive across-the-board relief to all taxpayers without regard to their payment capacity. This program is designed to provide relief to older homeowners who need it the most—those with low and moderate income.

Increasing the circuit breakers' maximum threshold and extending larger refunds would help ensure that older Minnesotans can continue to age in their own homes and communities. Similarly, this relief should be expanded to include property tax relief to renters through the Renters' Credit.

AARP also strongly supports Representative Huot's, **Targeted Tax Relief bill (HF 3725)**, which provides relief to homeowners who have experienced a spike in their property taxes, will go a long way in helping retired seniors living on a fixed income who

have modest incomes and have to pay other increasing expenses like medications, utilities, and groceries. Finally, as we have testified in the past, AARP supports Representative Hanson's HF 3384- The Senior Citizens' Property Tax Deferral bill and Representative Wolgamatt's HF 3432- The Senior Claimant and Disability Exemption bill.

Together these bills will provide the chance for more of Minnesota's older residents to continue to age in their own homes and communities among family and friends, as well as offer an additional step toward remedying long-standing inequalities in the housing arena.

Thank you again for your time and attention to this important issue for seniors.

