



June 16, 2021

Dear Chair Marquart and Members:

Thank you for the opportunity to comment on HF 9-Marquart. This bill contains several provisions of interest to Metro Cities.

Metro Cities supports Article 1, Section 12 that establishes a housing tax credit and contribution fund.

Metro Cities supports Article 6, Section 1, that authorizes local governments to establish special taxing districts to provide fire protection and emergency medical services.

Metro Cities supports Article 6, Section 19 that authorizes a study to examine the effects of an expansion of the 4d rental classification program prior to legislative consideration for expanding the program. Many city officials have raised concerns that an expansion of the 4d program would result in a significantly shift of local property tax responsibilities onto low-income property taxpayers. A study will provide policymakers with analysis and information needed to assess the effects of an expansion.

Metro Cities recognizes language in Article 6, Section 12 that add budget information requirements to the local truth in taxation process. While Metro Cities supports transparency in local budget setting processes, there are numerous existing reporting requirements in this area, and Metro Cities is concerned that additional requirements could significantly increase administrative burdens for cities.

Metro Cities supports the one-time supplemental local government aid (LGA) in Article 7, Section 3 for cities that will see a reduction in their 2022 LGA under current law. This supplemental aid recognizes challenges cities are confronting during the pandemic and the need for further examination of the LGA formula. Metro Cities stands ready to assist in any legislative efforts to examine the LGA program.

Metro Cities does not take policy positions on city-specific local sales tax bills but supports greater revenue diversification and access for cities, including the ability to impose local sales taxes to address certain local needs and improvements, several of which are authorized in Article 8 of the bill.

Metro Cities supports language in Article 9 that provides temporary flexibility in the use of unobligated tax increment, that provides flexibility in expenditures outside a TIF district to address local housing needs and that extends the five-year rule for certain tax increment financing districts to eight (8) years.

Thank you for the opportunity to provide written testimony on HF 9-Marquart, as you consider the bill.

Sincerely,

A handwritten signature in blue ink that reads 'Patricia Nauman'.

Patricia Nauman  
Executive Director