



SIERRA CLUB
NORTH STAR CHAPTER

2300 Myrtle Avenue, Suite 260
Saint Paul, MN 55114

March 14, 2023

RE: Support for HF1342 (Elkins) - Property tax provisions modified, and cities authorized to create land-value taxation districts.

Dear Chair Lislegard and House Property Tax Division Members:

The Sierra Club North Star Chapter, representing over 50,000 residents from across Minnesota, strongly supports HF1342 that would “legalize” Land Value Tax (LVT) in our state.

Minnesota’s property tax system mostly taxes buildings’ value. As a result, a significant portion of land in towns and cities across our state, particularly near downtown areas, remains locked up as surface parking lots or other low-intensity uses. Please see our MinnPost Community Voice (also attached) for more on this:

[\(https://www.minnpost.com/community-voices/2020/02/land-value-tax-a-promising-land-use-tool-proposed-for-our-communities/\)](https://www.minnpost.com/community-voices/2020/02/land-value-tax-a-promising-land-use-tool-proposed-for-our-communities/)

Our current system has big environmental implications. Dense, high-intensity land use promotes sustainable transportation by making it more convenient to walk, bike, and take transit to daily destinations. Transportation is the largest contributor to climate change pollution in Minnesota. Better land use also limits urban sprawl and the resulting loss of habitat by concentrating development in existing urbanized areas.

A StreetsMN article (<https://streets.mn/2012/12/10/tax-land-not-buildings/>) explains: [Minnesota’s current property tax system] penalizes property owners for building or making improvements to their structures, while rewarding speculators and absentee landlords which would rather allow their properties to decay than make expensive (and annually taxable) improvements.”

Instead, we could allow tools like LVT to incentivize compact development that adds variety to communities, provides more opportunities for healthy trips made by bicycling, walking, transit, and less need for driving - especially for short, more polluting trips (before our cars warm up and become more efficient). Smart land use offers savings on energy, the environment, and infrastructure.

Sierra Club encourages you to support HF1342 that will authorize land-value taxation districts for communities in Minnesota.

Sincerely,

Joshua Houdek
Senior Program Manager, Land Use and Transportation
Sierra Club North Star Chapter
joshua.houdek@sierraclub.org, 612-259-2447