

Saint Louis County

First District Commissioner • 100 N. 5th Avenue West, Room 206 • Duluth, MN 55802 Phone: (218) 726-2450 • Email: haralaa@StLouisCountyMN.gov

> Annie Harala County Commissioner

March 25, 2025

House Tax Committee Co-Chair Rep. Aisha Gomez, 62A Co-Chair Rep. Greg Davids, 26B Centennial Office Building St. Paul, MN 55155

RE: Letter of Support for Minnesota House File 0443 (Kozlowski / Johnson, P. / Zeleznikar/

Skraba / Wolgamott / Perryman)

Dear Co-Chairs Gomez and Davids, and Members of the House Tax Committee:

I write to express my strong support for House File 0443, which would extend a property tax exemption for certain airport properties used for the storage, repair, or manufacturing of aircraft, or to provide aviation-related goods, services, or facilities to the airport or the public.

Under current law, when such property is leased by a private party at an airport located in a city with a population over 50,000, it becomes taxable – creating a duplicative burden. These private entities already pay lease and service fees to the airport authority, which fulfills many of the same responsibilities as a municipality. HF 0443 would correct this imbalance and bring greater fairness and uniformity to how these properties are taxed across Minnesota.

This bill is particularly important for our region. St. Louis County is proud to be home to the Duluth International Airport, a key economic asset and transportation hub for northeastern Minnesota. We are actively working to attract and retain aircraft manufacturers and aviation businesses to this site. By eliminating this additional tax burden, HF 0443 would provide an important incentive for aviation-related companies to grow here – resulting in more jobs and economic opportunity for our residents.

We believe this legislation offers a practical, low-cost way to boost local economies, support innovation in aviation, and increase competitiveness for communities like ours. With minimal to no fiscal impact on the state, this change would allow resources to be reinvested in operations, workforce expansion, and infrastructure.

Thank you for your thoughtful consideration of this important legislation. We urge the House Tax Committee to advance and support HF 0443.

Sincerely, Harala

Annie Harala, Chair

St. Louis County Board of Commissioners



March 25, 2025

House Tax Committee Co-Chair Rep. Greg Davids, 26B Co-Chair Rep. Aisha Gomez, 62A Centennial Office Building St. Paul, MN 55155

RE: Letter of Support for House File 0443

Dear Co-Chairs Davids and Gomez, and Members of the House Tax Committee,

On behalf of the Area Partnership for Economic Expansion (APEX), I am writing to express our strong support for the bipartisan legislation House File 0443, which would extend a property tax exemption to certain airport properties used for the storage, repair, or manufacturing of aircraft, or for providing aviation-related services to the airport or the public.

APEX is a private sector-led business development engine established to promote sustainable growth in Northeast Minnesota and Northwest Wisconsin. Our mission aligns directly with the goals of HF0443 by removing a key barrier to business growth and investment in the aviation sector. Under current law, leased properties at airports in cities with populations over 50,000 become taxable even though tenants already pay lease fees to airport authorities that operate similarly to municipalities. This double burden discourages new investment and puts larger regional centers like Duluth at a disadvantage.

This important bill builds on the impressive progress and impact similar initiatives have delivered in our region. By eliminating the redundant tax, businesses would be better positioned to expand, hire more workers, and reinvest in their facilities and operations. In capital and infrastructure-intensive industries like aviation, these margins matter. The economic ripple effects—higher employment, increased business spending, and a stronger local supply chain—would be significant.

Duluth is home to a world-class airport and a skilled workforce, making it a prime location for aviation growth. House File 0443 would give our region a competitive edge as we work to attract and grow aircraft manufacturers and aviation service providers. Importantly, this change can be made with minimal to no fiscal impact to the State of Minnesota, while unlocking major economic development potential across Greater Minnesota.

We thank the authors of this bill and urge the House Tax Committee to advance this important legislation. HF0443 is a targeted solution that supports private investment, job creation, and long-term regional prosperity.

Thank you for your consideration.

Sincerely,

Rachel Johnson

President & CEO of APEX

Fuchel A Johnson

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March 24, 2025

House Tax Committee

Committee Co-Chair: The Honorable Rep. Greg Davids 26B Committee Co-Chair: The Honorable Rep. Aisha Gomez 62A

Centennial Office Building

St. Paul, MN 55155

Re: HF 0443 – Property Tax Exemption Modified for Certain Airport Property.

Dear Co-Chair Davids, Co-Chair Gomez, & Members of the Minnesota House Tax Committee:

My name is William Towle, and I am the Executive Director of the St. Cloud Regional Airport Authority. I am writing today in support of House File 0443, which would extend a property tax exemption for airport hangars used as a hangar for the storage, repair, or manufacturing of aircraft or to provide aviation goods, services, or facilities to the airport or public.

Under current law, at an airport in a city with a population over 50,000, when property is leased by a private individual, association, or corporation, the property becomes taxable. This tax is paid on top of what the entity is paying to the airport authority. The airport authority provides the services that would typically be provided by a municipality.

While the St. Cloud Regional Airport does not currently have any aviation sector manufacturers at our airport, we believe this effort could give us another tool in attracting manufacturers to our airport, resulting in job creation for the St. Cloud area community. This action would give employers in aircraft manufacturing and aviation additional funds to reinvest in their manufacturing operations, resulting in growth and job creation, with virtually no fiscal impact to the state of Minnesota.

St. Cloud Regional Airport is supportive of this effort, and I would ask that the committee consider including this provision in a future tax bill as this 2025 legislative session moves forward.

Sincerely,

William P. Towle, A.A.E.

Executive Director

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St. Cloud Regional Airport Authority

CC: House Tax Committee Members



Roger J. Reinert
Mayor

Room 422 411 West First Street Duluth, Minnesota 55802



March 25, 2025

House Tax Committee Co-Chair Rep. Greg Davids, 26B Co-Chair Rep. Aisha Gomez, 62A Centennial Office Building St. Paul, MN 55155

RE: Letter of Support for Minnesota House File 443 (Kozlowski/Johnson, P./Zeleznikar/Skraba/Wolgamott/Perryman)

Dear Co-Chairs Davids and Gomez, and Members of the House Tax Committee,

On behalf of the City of Duluth, I write in strong support of House File 443, which would extend the property tax exemption for certain airport properties used for the storage, repair, or manufacturing of aircraft, or to provide aviation-related goods, services, or facilities to the airport or the public.

Under current law, when such property is leased by a private party at an airport located in a city with a population over 50,000, it becomes taxable — resulting in a duplicative financial burden. These entities are already paying lease and service fees to the airport authority, which provides many of the same functions a municipality would otherwise cover. HF 443 would correct this inequity and bring consistency to how these properties are treated across the state in cities with under 50,000 in population.

This legislation is of particular importance to Duluth. Our community is actively working to attract and expand aircraft manufacturing and aviation-related businesses to the Duluth International Airport. Providing a property tax exemption for qualifying airport properties would give us a valuable tool in these efforts. The savings from this exemption would enable companies to reinvest in operations, expand capacity, and create good-paying jobs for the Duluth region.

We believe HF 443 would support economic growth in Greater Minnesota and across the state — with virtually no fiscal impact to Minnesota's budget. It is a commonsense step that aligns with our shared goal of strengthening the state's manufacturing and aviation sectors.

Thank you for your consideration of this important bill. The City of Duluth respectfully requests the House Tax Committee support HF 443.

Sincerely.

Roger J. Reinert

Mayor



March 23, 2025

House Tax Committee Co-Chair Rep. Greg Davids, 26B Co-Chair Rep. Aisha Gomez, 62A Centennial Office Building St. Paul. MN 55155

Dear Co-Chairs Davids and Gomez, and Members of the House Tax Committee:

On behalf of the Duluth Area Chamber of Commerce and the more than 1,100 businesses we represent, I write to express our strong support for the bipartisan bill, House File 0443, which would extend a property tax exemption to certain airport properties used for the storage, repair, or manufacturing of aircraft, or for providing aviation-related services to the airport or the public.

This is a smart, pro-growth bill with clear economic benefits. Under current law, when private entities lease property at airports in cities with a population over 50,000, the property becomes taxable—despite the fact that these businesses already pay fees to airport authorities that function like municipal service providers. This creates a disincentive for aviation-related investment in larger cities, like Duluth, and puts us at a competitive disadvantage compared to smaller communities.

HF 0443 would level the playing field and provide a powerful incentive for companies to invest in our region. By eliminating this redundant tax burden, businesses would have greater capacity to reinvest in equipment, facilities, and workforce development. In a capital-intensive sector like aviation, that means more jobs, more innovation, and more economic activity.

Duluth is home to one of Minnesota's premier aviation hubs. With space available for growth at the Duluth International Airport, this legislation could directly support our efforts to attract new employers and expand existing operations. The result would be a stronger regional economy, more family-supporting jobs, and long-term tax base growth—with virtually no fiscal impact to the state.

House File 0443 is exactly the kind of forward-thinking policy that will help Greater Minnesota communities thrive in a highly competitive economic environment. The Duluth Area Chamber of Commerce urges the House Tax Committee to advance and support this important legislation.

Thank you for your leadership and thoughtful consideration.

Respectfully,

Matt Baumgarter, MBA, CFA Candidate President

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Duluth Area Chamber of Commerce