

March 21, 2021



To the Members of the House Property Tax Division,

Thank you for the opportunity to comment on the Property Tax Division Report (A21-0106), specifically the language incorporated from HF 1311, Art 1, Sections 14 and 15. The Minnesota Bankers Association is a trade group representing 95% of the banks in Minnesota from the largest to the very smallest.

We appreciate our discussions with the author and proponents of the language and believe the forthcoming amendment to clarify this only applies to commercial and multi-family housing properties is helpful. We do, however, continue to have some concerns with the language.

HF 1735 would expand municipalities' assessment powers to encompass energy improvement projects on commercial buildings. Minnesota's commercial PACE program already provides a framework for making clean energy loans that are assessed against the property (Minnesota Statutes 216C.436). It would make sense for this new language to align with the current PACE statute, as the bill was thoroughly vetted in 2010 and the legislature included some guardrails to protect municipalities and business owners.

As this bill moves through the process, we would respectfully ask you to consider more closely aligning this municipal assessment change to the commercial PACE statute. This alignment with current law would help municipalities make loans that benefit and protect both the borrowers and their residents.

We look forward to the continued discussions with the author and proponents. Please contact us if there is additional information we can provide.

Sincerely,
Teresa Rice
General Counsel