



February 12, 2025

Re: HF 146 – Aid Penalty Forgiveness provided to the city of Stewart

Chair Davids and members of the House Tax Committee:

The League of Minnesota Cities appreciates the opportunity to comment on HF 146. We thank the author, Representative Gillman, for her ongoing work on this issue. The League supports this legislation and encourages the committee to adopt this proposal as part of its tax package this session.

In 2022 the city of Stewart was unable to meet the financial reporting requirements needed to receive their local government aid (LGA) payments in 2023. Since then, Stewart has come into compliance with the Office of the State Auditor (OSA). This bill provides a one-time appropriation to Stewart for the amount of aid withheld.

The League works closely with cities and the OSA to help cities come into compliance with financial reporting requirements so that cities are able to receive their LGA payments on time. While it is an important tool to ensure local governments are filing these reports, it is also an extremely important funding source for cities and allows them to fund critical services.

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

Sincerely,

A handwritten signature in black ink that reads "Beth Johnston". The signature is fluid and cursive, with the first name "Beth" and last name "Johnston" clearly legible.

Beth Johnston
Intergovernmental Relations Representative
League of Minnesota Cities