



AMERICAN
LEGION

Greetings, Chair and members. My name is Dr. Kristy Janigo, and I am The American Legion Department of Minnesota Legislative Chair. We hope this is the year where Congressionally Chartered Veterans Service Organizations will finally see the elimination of property taxes for their buildings, and we're counting on you.

Our posts would benefit from the passage of HF195 because it lifts the financial burdens. The Arcade- Phalen American Legion Post 577 in St. Paul is a post that has struggled with its property tax burden. It has faced setbacks with the condition of its building covered in the Star Tribune and Pioneer Press and is at risk of losing its building. The Anoka American Legion Post 102 is another. Last year, the Anoka Post paid nearly \$15,000 for property taxes. Nearby posts Champlin and Ham Lake have turned in their charters, and the Anoka post has been experiencing increased requests for financial support from neighboring suburbs. Post 102's ability to serve these increasing needs is limited by its tax burden. And my own post Osseo Maple Grove Post 172 has recently had to accommodate a new tax, the 10% tax imposed by the City of Osseo, which has caused them financial difficulty, as they've had to adapt.

Many 501(c)(3) nonprofit organizations receive property tax exemptions after qualifying through their county assessor. Veterans service organizations often have other designations such as 501(c)(4) and 501(c)(19). We are asking for access to the same nonprofit property tax exemptions provided to 501(c)(3) nonprofits. Congressionally chartered veterans organizations like The American Legion have a federal requirement of reporting their volunteer and charitable efforts directly to Congress annually, and because of that accountability, it makes sense for them to pay zero property taxes. There are a handful of states that provide this same benefit as a recognition of the good veteran service organizations do for their communities, and we'd like to see Minnesota among them. A zero-tax measure would clear up much of the confusion county assessors across our 87 Minnesota counties have regarding posts' taxes. This drives workload and inefficiencies that are inevitably covered by taxpayers.

People make assumptions about our Legion post homes, that they are just bars or restaurants or places to gamble. That's not true. So much more happens in our buildings. We have our post meetings there where our membership decides which local organizations to donate proceeds from charitable gambling. In this manner, we prop up small, local nonprofits providing important community services including youth sports, addressing food insecurity and homelessness, and funding public safety equipment for our cities, such as fire trucks. These are important gaps filled that federal, state, and local government cannot address.

Our posts in Minnesota are increasingly diverse, as veterans seek places of refuge where they can relax in the camaraderie of like minded people who have shared experiences. Veterans tend to be slow to trust other people, and that can lead to isolation. We need social connection as much as other people do, perhaps more because many do not understand what some of us have been through protecting this country and its freedoms.

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We hold veteran suicide prevention trainings with VA partners so that people recognize the signs of suicidal ideation and know how to get someone help. In fact, I have a 10th District VA S.A.V.E. Training scheduled for March 19 at the Wayzata American Legion Post. You are certainly invited. It starts at 5:30 p.m. Our halls are places where people gather for birthday parties, celebrations of life, and weddings. In small towns, our posts are the only option for such gatherings.

Post homes can be important meeting places. For my day job, I am an assistant county veteran service officer, and I've met homeless veterans to counsel them on housing programs, walk the anxious spouse of a veteran through the application to our state veterans homes, or met veterans to discuss federal VA benefits claims at American Legion posts.

The American Legion Department of Minnesota has a total of 531 posts, but more than half of our posts already do not have buildings. Two hundred sixty of our posts have buildings. Of those, several are struggling and at risk of closing in the future. The communities of Stillwater, Marshall, Northfield, Waite Park, Coon Rapids, and a number of them in the metro area have all had to sell their buildings to survive in the recent past. How many more communities will need to lose the gathering center for charity fundraising and activities before relief is provided?

Thank you for hearing this bill today and I am happy to answer any questions.

-Dr. Kristy Janigo

A handwritten signature in cursive script, appearing to read "Kristy Janigo".

The American Legion Department of Minnesota Legislative Chair

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March 11, 2025

**Testimony Before the Minnesota House Tax Committee
In Support of HF195**

Chair and Members of the Committee,

Thank you for the opportunity to testify today in support of HF195, a bill that would exempt Congressionally Chartered Veterans Service Organizations (VSOs) from property tax on real property they own, under certain conditions.

Minnesota is home to 188 Veterans of Foreign Wars (VFW) Posts, as well as other Congressionally Chartered Veterans Service Organizations that play an essential role in supporting our veterans, their families, and our broader communities. Of these Posts, 107 own their Post Home. These organizations provide a gathering place for veterans to connect, support one another, and engage in community service. They also serve as vital hubs for civic engagement, offering their meeting halls at no cost for use by local nonprofit organizations, hosting community events, and coordinating charitable efforts.

HF195 ensures that these critical organizations receive the same tax-exempt status as other nonprofit entities by setting clear and reasonable requirements:

1. The meeting hall must be made available free of charge by local nonprofit organizations.
2. The property must not be used for residential purposes.
3. The Veterans Service Organization must donate to charity an amount equal to the prior year's property tax assessment, which would have been charged if not waived.

These conditions recognize the immense contributions of VSOs while ensuring their tax exemption does not come at a cost to the broader community. In fact, VSOs contribute significantly more than they would pay in taxes. Minnesota's 188 VFW Posts alone donate hundreds of volunteer hours each year to their communities. Posts that has a Post Home often have Charitable Gambling and give generously to the community. Unfortunately, most of these lawful charitable gambling profits cannot be used for the upkeep of the Post Home itself.

VFW DEPARTMENT OF MINNESOTA

While 501(c)(19) and 501(c)(4) organizations are structured differently than 501(c)(3) nonprofits under federal tax law, they frequently provide just as much—if not more—community benefit. The services and support these organizations offer strengthen our communities, uplift those in need, and preserve the values we hold dear as a state and a nation.

Exempting these organizations from property tax under HF195 is not merely a financial benefit—it is a recognition of the essential role they play. It allows them to continue their mission without the burden of property taxation, ensuring that every dollar raised goes directly back into serving veterans and their communities.

I urge this committee to support HF195 and stand with the veterans who have served our country and continue to serve our communities. Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink that reads "David Staehlin". The signature is written in a cursive, flowing style.

David Staehlin
State Commander