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April 6, 2022

Senator Bill Weber, Chair Senate Taxes — Subcommittee on Property Taxes Room 2109, Minnesota Senate Building 95 University Avenue W. Saint Paul, MN 55155

Dear Chair Weber and Committee Members:

On behalf of our Associations, we thank Senator Rest for authoring SF3376, which proposes one-time hold harmless funding to ensure no county receives less County Program Aid (CPA) in 2023, than the county is certified to receive in 2022.

All counties receive Program Aid and thus all property taxpayers benefit from CPA. While certified CPA amounts can vary from year to year, formula changes approved in 2017 continue to be essential for moderating wide variations within the formula.

Our Associations also appreciate that SF3376 aims to ensure parity between county aid and similar adjustments proposed by Senator Rest, in SF3179, for city-LGA. That is an important priority.

We note that while SF3376 proposes a one-time increase for certain counties, a permanent increase to CPA appropriation levels for all counties is warranted. CPA funding is at the same level it was twenty years ago, and only one-half the level it was at relative to total county levy. As legislators are aware, this aid program is not only critical for property tax relief, but also important to help cover the costs of a multitude of underfunded and unfunded state mandates. To this point, we thank Chair Weber for authoring SF4138, which would accommodate a permanent CPA increase.

Thank you Chair Weber for the opportunity to submit written testimony on SF3376.

Sincerely,

Matt Massman, Executive Director Minnesota Inter-County Association

Matt Hilgart, Government Relations Director

Association of Minnesota Counties