



Hibbing Public Schools

Independent School District No. 701

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Richard B. Aldrich, Superintendent
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The Honorable Carla J. Nelson
Chair, Minnesota Senate Tax Committee
95 University Ave W.
St. Paul, MN 55155

Thank you for hearing Senator David Tomassoni's Senate File 4031, providing construction sales tax exemptions for public schools in Ely, Hibbing, Rock Ridge (Virginia/Eveleth/Gilbert), Chisholm, Duluth, Nashwauk-Keewatin, Northland Learning Center (Virginia) and Northern Lights Academy (Esko/Cloquet).

I write you in support of this bill and ask that you consider including this effort in any additional tax bills introduced into the Minnesota Senate this Legislative Session.

Under current law, for school districts to receive the benefit of the local government sales tax exemption for construction projects, they must follow a very cumbersome set of rules. The current required process to secure the sales tax exemption adds considerable risk and potential cost to the contracting process, and as a result, many school districts choose not to pursue the sales tax exemption at all.

Hibbing Public Schools currently has two large construction projects in progress. The first is the 9.5-million-dollar Hibbing Early Learning Expansion. The second is a 4-million-dollar update to our athletic facilities. Both projects have been funded by repurposing existing revenue, not through referendums or other tax increases.

Senate File 4031 will make it easier for the 8 school district construction projects to take advantage of this exemption, thus allowing for them to reinvest that money back into the projects. This is particularly important right now because of supply chain issues and dramatic inflationary increases in construction costs. We estimate that this bill would allow for our district to re-invest \$275,000 back into our construction projects.

Again, Chair Nelson and Senators, we appreciate you hearing this bill and urge your support.

Sincerely,

Richard B. Aldrich
Superintendent

CC: Senator David Tomassoni
Senator Tom Bakk