

# INDEPENDENT SCHOOL DISTRICT NO. 319

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April 15, 2022

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. Ours is no exception.

Senate File 4031 will make it easier for Nashwauk-Keewatin Public Schools, along with the 7 other school district construction projects, to take advantage of this exemption, thus allowing for reinvestment of those savings back into our projects. This is particularly important right now because of supply chain issues and dramatic inflationary increases in construction costs.

Because of inflation and rising material costs, we anticipate a \$3-\$4 million shortfall that will dramatically narrow the scope of our project, one that was overwhelmingly approved by our surrounding communities. We estimate that this bill would allow for our district to re-invest \$1-\$1.2 million back into our construction project alone. That is huge!

Again, Chair Nelson and Senators, we appreciate you hearing this bill and urge your support. Our communities are counting on it!

Sincerely,

A handwritten signature in blue ink that reads "Barb Kalmi". The signature is written in a cursive, flowing style.

Barb Kalmi, Director  
I.S.D. 319 Nashwauk-Keewatin Public Schools

CC: Senate Tax Committee Members  
Senator David Tomassoni  
Senator Tom Bakk  
Senator Justin Eichorn