



## Testimony in Support of S.F. 1519 Bill to Simplify Local Government Sales Tax Exemption for Construction Materials

### **S.F. 1519- Maye Quade: Exemption provisions modification for construction materials by certain contractors.**

March 2, 2023

Chair Rest and Senate Tax Committee Members:

Good morning, and greetings on behalf of the City of Apple Valley. I am Clint Hooppaw and I have the privilege of serving as the Mayor of Apple Valley, a community of 56,000 people located in the south Metro area.

I am here today to speak in favor of SF 1519, a bill authored by Chair Rest and our own State Senator, Erin Maye Quade. I thank them both for their strong support of this bill and ask that you all do the same.

This bill would simplify the process by which local governments and non-profits receive the sales tax exemption on construction material purchases.

As we all seek ways to more effectively provide our citizens with critical public infrastructure, the current challenging process is inefficient and increases the cost of local construction projects, and ultimately local property taxes.

We support that the sales tax exemption for construction materials be streamlined in 2023 to eliminate administrative burdens and save local entities millions of dollars annually.

Even in a relatively new community like Apple Valley, we have infrastructure that is over 50 years old which needs replacement. In fact over the next five years we anticipate spending over \$66 million for infrastructure replacement of deteriorated water, sewer and storm water lines and street replacement.

In addition, we have several critical buildings that will require renovation and/or replacement in coming years, including a fire station, a police garage facility, and our central maintenance facility. The total cost for this anticipated work is over \$50 million.

The sales tax exemption related to all the described work totals \$3.9 million which is very significant to our community.

In fact, this bill would benefit every community in the state and will help ensure that we all get the most value out of our precious infrastructure dollars.

Thanks again for your consideration of this important bill.