

ST PAUL

AREA CHAMBER

401 N Robert Street, Suite 150
St. Paul, MN 55101

MAKING CONNECTIONS THAT COUNT

March 8, 2023

Senator Ann Rest, Chair, Senate Tax Committee
328 State Capitol
St. Paul, MN 55155

Dear Chair Rest and committee members:

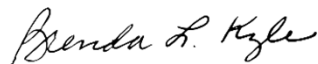
On behalf of the 1700+ members and affiliates of the St. Paul Area Chamber, who together represent more than 3 million employees and their families, thank you for the opportunity to express our strong support S.F. 1828.

As a chamber, we recognize the need for an increase in Local Government Aid (LGA) for the City of St. Paul. Our capital city faces unique challenges with its high percentage of tax-exempt property (22%), while at the same time, providing significant levels of service to individuals from all over the state. This places an undue burden on remaining properties to provide the resources necessary to fund city operations, leaving the City of St. Paul with the second highest property tax rate in the state and significant infrastructure investment needs.

The Local Government Aid Program was created to help address local funding disparities between cities with higher and lower property tax bases. Under the current LGA formula, St. Paul has an unmet need of \$27.4 million, which is the most of any city in the state. With the formula adjustments and infusion of resources into the LGA Program provided in this bill, the City of St. Paul would see a \$16.5 million/year increase in state aid. This is a big step in the right direction in closing the funding gap, and we'd encourage the Legislature to consider even further. Given that St. Paul is the epicenter of state government, it is only appropriate that the state increase its financial support to ensure our capital is operated and maintained in a manner that makes all Minnesotans proud.

Thank you for your time and consideration.

Respectfully,



B Kyle
President & CEO
St. Paul Area Chamber

CC: Senator Matt Klein, chief author

