



Roger J. Reinert
Mayor

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The Honorable Ann H. Rest
Chair, Senate Taxes Committee
Minnesota State Senate
75 Rev. Dr. Martin Luther King Jr. Blvd.
Capitol, Room 328
St. Paul, MN 55155

Re: S.F. 1289 (Hauschild) - Property tax exemption modification for certain airport property.

Dear Chair Rest & Members of the Minnesota Senate Taxes Committee:

I write today in support of Senate File 1289, which would extend a property tax exemption for airport hangars used as a hangar for the storage, repair, or manufacturing of aircraft or to provide aviation goods, services, or facilities to the airport or public.

Under current law, at an airport in a city with a population over 50,000, when property is leased by a private individual, association, or corporation, the property becomes taxable. This tax is paid on top of what the entity is paying to the airport authority. The airport authority provides the services that would typically be provided by a municipality.

This exemption would allow Duluth International Airport and the City of Duluth the opportunity to continue to grow our aviation manufacturing sector. It would give employers like Cirrus Aircraft additional funds to reinvest in their manufacturing operations, resulting in growth and job creation, with virtually no fiscal impact to the state of Minnesota.

This is important to Duluth. In 2022 and 2023, Cirrus Aircraft hired an additional 293 employees in Duluth. The company is projected to hire an additional 150 jobs over the next 12 months, bringing the total Minnesota-based workforce to nearly 1,800 employees. This tax change will help Cirrus reinvest in their business and hire additional employees. This incentive will go directly to another \$3.8 million investment in their operations in the short term.

The City of Duluth is supportive of this effort, and I would ask that the committee consider including this provision in a future tax bill as this 2024 legislative session moves forward.

Respectfully,

Roger J. Reinert
Mayor, City of Duluth

CC: Senate Taxes Committee Members
Mitch Berggren, Senate Taxes Committee Administrator

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