

Senator Ann Rest  
Chair  
Senate Taxes Committee

Senator Matt Klein  
Vice Chair  
Senate Taxes Committee

Senator Bill Weber  
Ranking Minority Member  
Senate Taxes Committee

Senate Tax Committee Members,

My name is Evan Vogel. I am the City Administrator for the City of Cambridge, and a member of the League of Minnesota Cities' Board of Directors. I am writing today in support of SF 375. I am encouraged that this bill, with bipartisan support, seeks to empower communities around the ability to support projects that they believe are desirable.

The City of Cambridge passed a local option sales tax in 2018, with collections beginning in 2019. This local tax was supported by 62% of residents and has been used to build a library, dramatically enhance area outdoor park facilities, improve miles of bike/walk trails, and benefit the City's ability to fund street improvement projects, specifically including improvements to Trunk Highway 95.

The City of Cambridge supports residents' ability to speak with their votes on project proposals that may benefit the City and the region. I appreciate that SF 375 incorporates a significant number of recommendations and comments made as a part of the local option tax task force and seeks to provide greater simplicity and clarity to this process.

There are two items I would encourage this committee to consider as it hears this bill. First, I would ask this committee to include a provision that allows local option taxes to be indexed for inflation without an additional referendum. In the event a referendum passes, the voters have supported accomplishing a specific project or projects. It risks harming the public confidence if local governments are not able to follow through due to inflation. Second, I would ask the committee to eliminate the provision that includes revenue sharing with neighboring jurisdictions. Jurisdictions that pass these referendums face extremely rigid rules and requirements on the application of collected funds and go to tremendous lengths to deliver specific projects to their residents. It does not seem consistent with the underlying intent of this legislation to take revenues generated in one jurisdiction, as a result of a vote of the citizens of that jurisdiction and pass the revenues along to a separate entity.

Thank you for your thoughtful consideration of this issue, and for advancing this bill. I would ask all members of the committee to support this legislation.

Sincerely,



Evan C Vogel  
City Administrator  
City of Cambridge