



March 18, 2025

Re: SF 1108 – Aid Penalty Forgiveness provided to the city of Stewart

Chair Rest and members of the Senate Tax Committee:

The League of Minnesota Cities appreciates the opportunity to comment on SF 1108. We thank the author, Senator Gruenhagen, for his ongoing work on this issue. The League supports this legislation and appreciates its inclusion in SF 132, the committee's early tax bill.

The League works closely with cities and the Office of the State Auditor (OSA) to help cities come into compliance with financial reporting requirements so that cities are able to receive their local government aid (LGA) payments on time. While it is an important tool to ensure local governments are filing these reports, it is also an extremely important funding source for cities and allows them to fund critical services.

In 2022 the city of Stewart was unable to meet the financial reporting requirements needed to receive their LGA payments in 2023. Since then, Stewart has come into compliance with the OSA. This bill provides a one-time appropriation to Stewart for the amount of aid withheld.

Thank you for your time and attention to this important issue.

Sincerely,

A handwritten signature in black ink that reads "Beth Johnston". The signature is written in a cursive, flowing style.

Beth Johnston
Intergovernmental Relations Representative
League of Minnesota Cities