

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

stpaulchamber.com

June 2, 2021

Governor Tim Walz
Speaker of the House Melissa Hortman
Senate Majority Leader Paul Gazelka

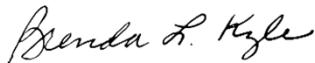
Governor Walz, Speaker Hortman, and Majority Leader Gazelka,

The St. Paul Area Chamber's 1700 active and affiliate members express our support for businesses across Minnesota who were affected by the property damage, destruction, and looting that occurred during the civil unrest of May and June 2020. These businesses urgently need your help. In St. Paul alone, many businesses remain closed as they wait on funds to rebuild.

You have been presented with several bills and different ideas for financially supporting these businesses. Our standard approach is to refer to specific bill language when providing comments. While we are not speaking in favor of a particular bill in this case, we would ask that you to keep a few points in mind as you make these decisions:

1. Preservation of tax base should be an absolute priority. Attempts to favor the transfer of property from taxable entities to non-profits should keep in mind the real and lasting negative consequences in terms of net loss of tax revenue. Especially in cities like St. Paul that already have an outsized share of non-taxable property, further reduction in the tax base only burdens other property owners, which drives up costs and drives down affordability of both residential and commercial space.
2. Direct appropriations to affected businesses are the best way to make sure that state money is spent most efficiently. We believe that the state (DEED and Revenue departments in particular) has the capability and expertise to disburse money directly to businesses, as those departments have for many years, and for many other programs. Direct appropriations from the state to businesses also ease requirements that unnecessarily complicate reporting when third party intermediaries are involved. Though less ideal, county or city departments have the capability and expertise to disburse money while ensuring transparency and compliance are managed.
3. The faster the funds can be distributed, the better. Conversations about extended eligibility are important, and should not slow the process of timing of this assistance to businesses who were appropriately registered with the state, filed taxes as a business, paid their employees as employees, etc. Please don't let those who have done everything right be left waiting.

Thank you for your service to our state, and for your consideration of this important request.



B Kyle
President and CEO
St. Paul Area Chamber

