



April 8, 2025

Re: HF 1016 – Base year formula – city of Baldwin

Chair Davids, Chair Gomez, and members of the House Taxes Committee:

The League of Minnesota Cities appreciates the opportunity to comment on HF 1016. This bill provides a base year aid amount to the city of Baldwin for the Local Government Aid (LGA) formula. Last year, the township of Baldwin incorporated to become the city of Baldwin and held their first election of city officers in November 2024.

LGA is a city aid program that distributes money based on a formula that compares a city's expenditure need to its ability to pay. It plays a crucial role in ensuring that cities across the state are able to provide basic local public services and infrastructure without communities paying inordinately different levels of taxes.

Cities are under increasing pressures on both needs for the services they provide, and rapidly rising costs for providing those services, both of which are putting ever higher pressures on local property taxes. These services include public safety, road maintenance, housing, infrastructure, park and library systems management, and more.

Across Minnesota, LGA is critical to ensuring that local governments, like the city of Baldwin, are able to provide basic services and infrastructure without over-reliance on the property tax, to fulfill state mandates, and to continue to be effective contributors to the state's well-being and prosperity. This program is a fundamental tenant of the state and local fiscal partnership. Thank you for your time and attention to this important issue.

Sincerely,

A handwritten signature in black ink that reads "Beth Johnston".

Beth Johnston
Intergovernmental Relations Representative
League of Minnesota Cities