From: <u>Amanda Duerr</u>

To: *CI-StPaul Contact-Council; CouncilHearing (CI-StPaul)

Subject: Public Comment RES 23-1073

Date: Wednesday, July 19, 2023 9:37:40 AM

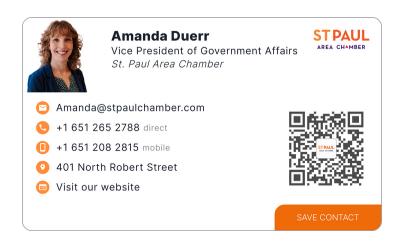
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RES 23-1073 Testimony St Paul Area Chamber 07.19.23.pdf

Hello,

Attached please find testimony from the St. Paul Area Chamber on RES 23-1073.

Thank you,





MAKING CONNECTIONS THAT COUNT

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

July 19, 2023

Council President Amy Brendmoen Councilmember Russel Balenger Councilmember Rebecca Noecker Councilmember Chris Tolbert

Councilmember Mitra Jalali Councilmember Nelsie Yang Councilmember Jane Prince

Re: RES 23-1073

Council President Brendmoen and Councilmembers:

The St. Paul Area Chamber remains concerned about the ballot measure to increase the local sales tax. I would be remiss not to mention that St. Paul residents and businesses have already had their sales taxes increased by one percent this year by state legislative action through the regional sales taxes for housing and transit. An additional one percent increase would give St. Paul the highest general sales tax in the state at 9.875%.

Along with being a regressive tax that will impact those least able to afford it the most, an additional sales tax increase would make St. Paul a regional outlier. Those who have the mobility to do so will likely opt to do their shopping in neighboring communities, negatively impacting St. Paul businesses.

Specifically, regarding the ballot language in front of the Council, I'm concerned that this is being positioned as a choice between a sales tax and an increase in property tax: that is, "if you don't approve the sales tax, we'll increase your property taxes." This is concerning because there are other sources of funding available to the City. St. Paul will be receiving \$8.8 million more per year in LGA funding and over \$5.3 million per year in municipal street aid once the state transportation funding increases are fully phased in. I would urge the City not to disregard these resources. While the Chamber remains opposed to the sales tax increase, we could encourage the City to be more matter of fact in the ballot language.

Thank you for your time and consideration.

Sincerely.

Amanda Duerr

Vice President, Government Affairs

St. Paul Area Chamber

