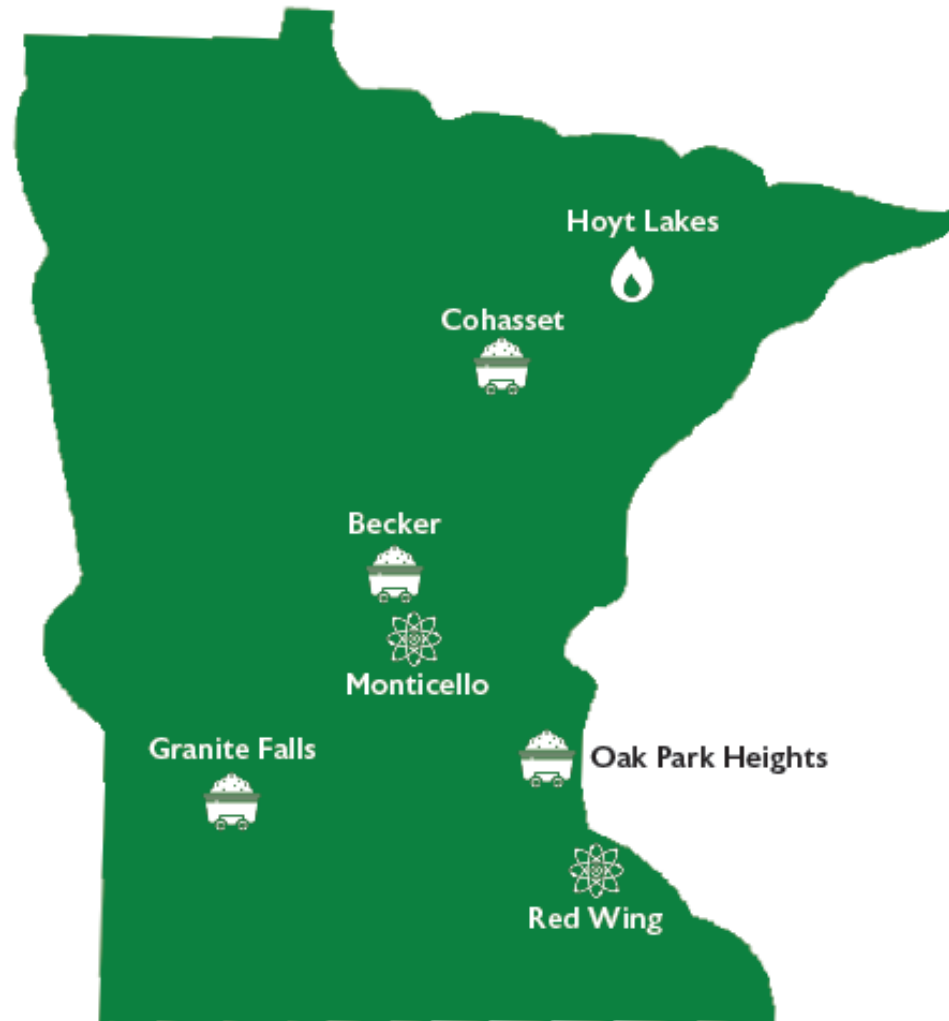


Introduction - Shane Zahrt

- ▶ Senior Attorney/Lobbyist with Flaherty & Hood
- ▶ Represented the CUC since 2016
- ▶ Returning ETAC Member
- ▶ Helped design legislative initiatives to support transitioning host communities, including:
 - ▶ Creation of ETO/ETAC
 - ▶ CET Grants
 - ▶ Transition Aid

What is the Coalition of Utility Cities?

- ▶ An organization of seven power plant host communities in Minnesota
- ▶ Host (or have hosted) many of the state's largest investor-owned power plants
- ▶ Formed in 1998 to give cities a voice at the Capitol



Electric Generation Transition Aid

- ▶ Passed as part of the 2023 Omnibus Tax Bill
- ▶ Designed to keep local governments “whole” in the first year following plant retirement
- ▶ Includes the possibility of retroactive aid for communities that already faced plant retirements

Who is eligible and when?



Counties, Cities, School Districts and Townships



Eligible upon retirement of an electric generating unit



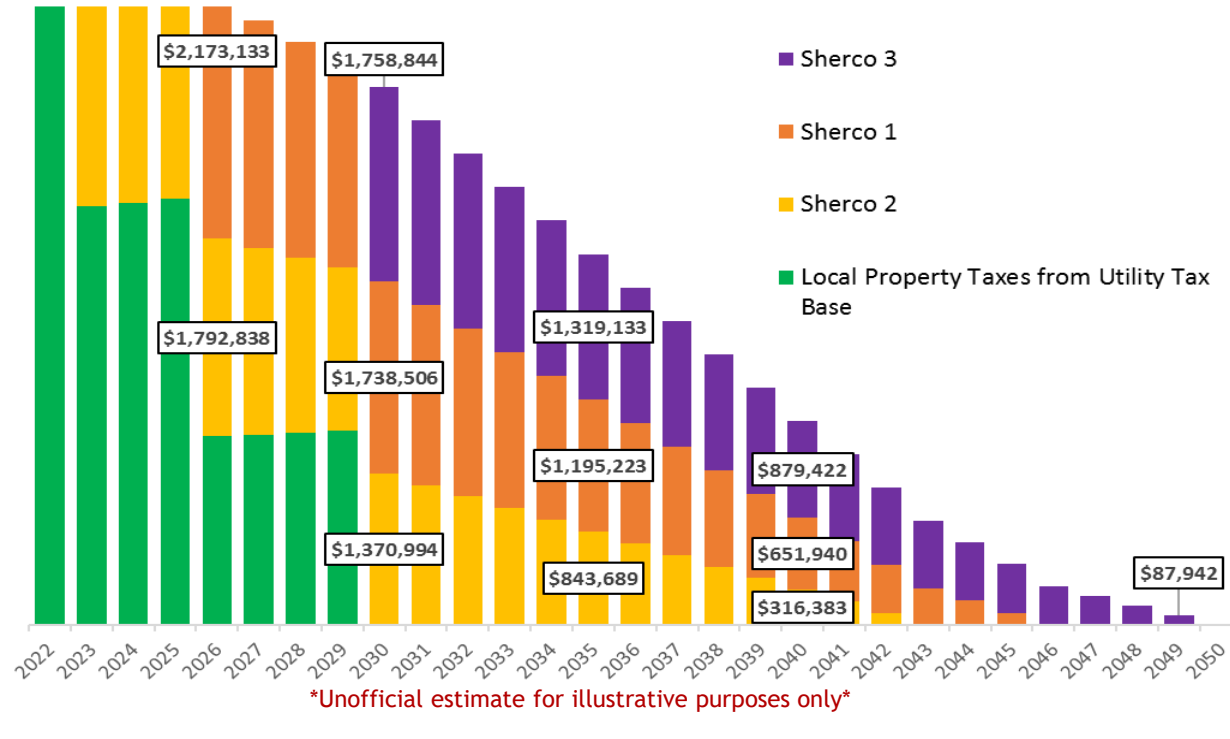
Electric generating unit is defined as a “single generating unit at an electric generating plant power by coal, nuclear, or natural gas”

How is it calculated?

- ▶ Calculating the loss - “Unit Differential”
 - ▶ Subtracts tax capacity in year following plant retirement from tax capacity in final year of plant operation
 - ▶ Multiplied by the jurisdiction’s tax rate in the year prior to plant retirement
- ▶ Unit differential sets the first year of aid
- ▶ Aid phases out over time - Maximum of 20 years

Example: City of Becker

- Aid is responsive to each individual unit retirement
- Aid for each unit declines by 5% each year but aid can also be terminated based on tax base growth
- In communities with multiple unit retirements, each unit retirement triggers its own aid calculation and phase down clock



What's next?

- ▶ DOR must certify aid to eligible communities by May 1
- ▶ DOR will be providing timelines and list of communities expected to be eligible
- ▶ More information:
 - ▶ Minn. Stat. 477A.24
 - ▶ Contact DOR: proptax.admin@state.mn.us

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Thank You!

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9