METRO CITIES
Association of Metropolitan Municipalities

February 25, 2025

Chair Igo and Members of the House Housing Finance and Policy Committee,

Metro Cities, representing the shared interests of cities across the metropolitan area, appreciates the opportunity to support HF 177 and HF 178 authored by Representative Myers. Metro Cities supports these bills, as our policies support exemptions from, or reductions to sales, use and transaction taxes applied to the development and production of affordable housing.

HF 177 exempts the materials and supplies for construction of new single-family homes from sales and use taxes and provides them as a refund to the first-time homebuyer who owns the single-family residential housing. Additionally, the exemption is limited to the costs of the first $460,000 of construction. This bill finds a unique way to encourage and support first-time homebuyers, and provides the refund directly to the homebuyer, ensuring that the cost savings are directly supporting residents.

Similarly, HF 178 exempts the materials and supplies for the construction of duplexes and triplexes for first-time homebuyers. This is a creative way to encourage the construction of more duplexes and triplexes and ensure that first-time homebuyers are the ones directly benefiting from the sales tax exemption.

During a time where the high cost of building materials, labor, and insurance are significantly increasing the costs of housing, cities need tools that will support residents to create meaningful affordability. These bills offer creative tools to support additional affordable homeownership opportunities for residents by ensuring the cost savings are directly supporting new homebuyers. Targeted efforts like this one will support communities in metropolitan region in building new housing that is affordable.

Thank you for your consideration of this letter.

Sincerely,

Ania McDonnell
Government Relations Specialist