



## MAT Supports Expanded Funding Options for Wastewater Treatment Facilities

The Minnesota Association of Townships is a member driven organization working on behalf of the 1781 townships statewide. Our townships are a very diverse group statewide depending on local land terrain, population, tax capacities and other varying reasons for townships to be unique in their nature. About 17% of Minnesotans live in a township.

- **Diverse Wastewater Management systems:** Townships include many kinds of wastewater management systems that could benefit from loans or grants, including individual or private systems, small community or subdivision systems - both private and township funded, mobile home parks, and larger commercial systems.
- **Need for Funding Exists:** Few townships operate wastewater systems compared to the total number of townships, because it is cost prohibitive to extend such services to the most rural places. Towns that have such facilities may operate them only for the areas that are more densely populated or where environmental concerns required a facility. Twenty townships are on the Public Facilities Authority's 2018 Clean Water Project Priority list, but many other places have wastewater treatment concerns.
- **Local Property Tax Dependent:** About 73% of township revenue comes from property taxes, and about 16% from state dollars. This funding is primarily used to maintain roads. Transportation funding, mainly from the gas tax, has decreased, shifting even more costs to local property taxes.
- **Public and Private systems may benefit from loans or grants:** There is need and potential to produce a cleaner environment by replacing older and poorly functioning systems in the townships. MAT sees both public and private systems as benefiting from expanded funding options. Townships should be included in funding opportunities to spread the benefit of these public dollars beyond population centers.
- **Traditional funding is costly:** Bonding is costly and requires the costs be spread among the entire township when only a fraction of the residents may receive the benefit of a wastewater system. Towns typically do not engage in bonding over concerns of already high property taxes, long repayment terms, and prohibitive up-front fees.

MAT encourages the LCCMR to implement a grant or loan program to help townships manage wastewater treatment concerns.