

Charlie Weaver
State Representative

District 49A
Anoka, Champlin, Dayton,
Hassan, Rogers



Minnesota House of Representatives

COMMITTEES: EDUCATION, EDUCATION FINANCE DIVISION; ENVIRONMENT AND NATURAL RESOURCES;
LOCAL GOVERNMENT AND METROPOLITAN AFFAIRS

March 6, 1991

Governor Arne Carlson
130 State Capitol
St. Paul, MN 55155

Dear Governor Carlson:

As you approach your summit on property taxes next week, we strongly recommend that you do not consider altering the fiscal disparities law.

As you know, the fiscal disparities law was passed in 1971 and has become a nationwide model as a fair and equitable means of sharing regional tax base. (See attached recent Star Tribune editorial.) It works exceedingly well. Without fiscal disparities, the disparity in commercial-industrial tax base per capita among metro communities would be 110 to 1. With this program the disparity is approximately 17 to 1.

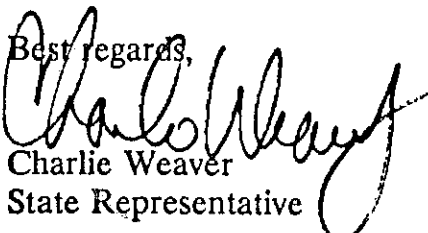
The Hennepin County Board has launched an attack on this vital program. This is true despite the fact that the majority of communities in Hennepin County benefit from this law. (Minneapolis, which is a contributor, has taken a neutral position on this issue.)

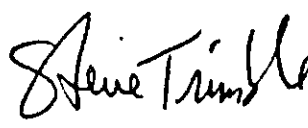
Please don't attempt to fix a program that is working well. The proposed "solution" to this problem would send us back to the days when communities fought each other over tax base at the expense of our environment. It would also hurt our children by further decreasing our communities' ability to raise education dollars through referendum levies.


In sum, any change to the fiscal disparities law would result in the rich getting richer and the poor being further harmed.

Please continue your support of this critical program.

Best regards,


Charlie Weaver
State Representative


Steve Trimble
State Representative


Bob Milbert
State Representative



Bill Schreiber
Bill Schreiber
State Representative

Joel Jacobs
Joel Jacobs
State Representative

Tom Pugh
Tom Pugh
State Representative

Pat Beard
Pat Beard
State Representative

Linda Scheid
Linda Scheid
State Representative

Howard Orenstein
Howard Orenstein
State Representative

Tom Osthoff
Tom Osthoff
State Representative

Teresa Lynch
Teresa Lynch
State Representative

Linda Runbeck
Linda Runbeck
State Representative

Andy Dawkins
Andy Dawkins
State Representative

Bill Macklin
Bill Macklin
State Representative

Don Valento
Don Valento
State Representative

Kathleen Vellenga
Kathleen Vellenga
State Representative

Harold Lasley
Harold Lasley
State Representative

Dennis Ozment
Dennis Ozment
State Representative

Phil Heir
Phil Heir
State Representative

Wayne Simoneau
Wayne Simoneau
State Representative

Alice Johnson
Alice Johnson
State Representative

Rich O'Connor
Rich O'Connor
State Representative

Larry Bodahl
Larry Bodahl
State Representative

Dennis Newinski
Dennis Newinski
State Representative

Dick Pellow
Dick Pellow
State Representative

Brad Stanis
Brad Stanis
State Representative

Doug Swenson
Doug Swenson
State Representative

Harriet McPherson
Harriet McPherson
State Representative

Jeff Hanson
Jeff Hanson
State Representative

Alice Hausman

Alice Hausman
State Representative

Carlos Mariani

Carlos Mariani
State Representative

Jim Farrell

Jim Farrell
State Representative

Phil Kriekie

Phil Kriekie
State Representative

Edwina Garcia

Edwina Garcia
State Representative

It's beggar-thy-metro-neighbor time again

Just because the Legislature passes a law for the public good, and the law works well, don't expect that some future Legislature won't try to trash the whole thing.

That's the way it is with the fiscal-disparities law that provides for tax-base sharing within the Twin Cities area. Almost every legislative session, someone tries to undo it. They're expected to try again this legislative session — the 20th anniversary of the law's passage in 1971. It's vital that the effort be blocked.

The idea of tax-base sharing is to narrow the gap between what communities with a strong and growing commercial-industrial tax base can afford to pay for public services and what communities with small or stagnated C-I tax bases can pay. To lessen the difference between these "haves" and "have-nots," the law requires that 40 percent of new C-I tax base be put into a metropolitan pool and apportioned back to communities according to their populations and overall tax base.

Such wealth-sharing makes sense because communities in the Twin Cities area are interdependent parts of a single economic entity. Thus, one city might provide a family with a place to live, a

second a place to work, a third a place to attend school, a fourth a place to shop and a fifth a place to generate the electricity to light their home.

The Citizens League, which closely monitors the law's performance, reports that without tax-base sharing, the richest of those communities might now have a per capita C-I tax base 22 times as big as the poorest. With sharing, the spread is just 4 to 1.

That fairer result, however, does not deter many of the cities (as well as the one county, Hennepin) that lose tax base in the exchange from wanting either to repeal the fiscal-disparities law or severely weaken it. Never mind that despite their losses many of those cities remain among the region's wealthiest in per capita C-I tax base.

Never mind, either, that they too gain from being part of a metropolitan area in which all communities are better able to hold the line on property taxes, provide needed services and pursue balanced development. Their beggar-thy-neighbor outlook is as shortsighted as it is selfish.

The fiscal-disparities law is doing what it's supposed to do. The Legislature should leave it alone.