

Published February 16 2011

Forum editorial: Minnesota LGA vital to cities

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The program has been in place for decades. Its purpose is to reduce property tax and service disparities among rural, metro and suburban cities. For northwest Minnesota, LGA has been a vital component of local budgeting. Some 65 percent of LGA goes to Greater Minnesota cities and counties.

The current formula was proposed by Gov. Tim Pawlenty, who was never a huge fan of LGA. Nonetheless, his formula meets the program's purpose. LGA's foundational principle is to ensure basic tax fairness for all Minnesotans, no matter where they live.

Still, LGA has been pared back by more than \$1 billion since 2003. Property taxes are up 60 percent since 2003.

Therein lie the choices cities and counties will have to make if LGA is deeply cut or scrapped. Cities already are struggling to maintain services their residents expect. LGA is – and has been – vital to funding such services.

Moorhead, for example, has lost more than \$2 million because of LGA cuts since 2008. If more cuts are made, the city will have two options: further reduce services or raise property taxes. Sentiment among some city leaders might be to cut services because they are loath to raise taxes.

But who takes the phone call when an angry constituent calls because the snowplow has not been through the neighborhood in a timely fashion? Who explains why the grass is not mowed in a city park? Who takes the blame for longer police response time because the city can't afford more officers or patrol cars? Ironically, the same people who would complain about service deterioration would argue against raising local taxes.

The kind of cuts in LGA envisioned by some legislators will have real, on-the-ground consequences in communities all across Greater Minnesota. It's no longer about forgoing amenities, such as a golf course. It's about eroding already stressed services, such as fire protection.

Minnesota must address its

\$6 billion deficit. But cities and counties have already been cut a billion dollars in LGA – which over time is disproportionate to its share of the state budget. The shared sacrifices necessary to reduce the deficit must be understood in the context of LGA cuts local governments have taken in the past few years.

No local official – or the governor, for that matter – is saying LGA cannot be cut. A modest reduction might be necessary as lawmakers drain the state's sea of red ink. But either gutting or killing the program would be an unfair hit on most cities and, in the long run, counterproductive for the entire state.

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