

Mankato Free Press Editor's Blog: Dayton budget and your property taxes (2/16/2011)

Gov. Mark Dayton unveiled a budget today that raises \$3.5 billion in new taxes, mostly on the upper income and wealthy, cuts \$775 million in health care -- nursing homes and assisted living payments take a hit -- and kind of surprisingly, doesn't call for more cuts in local government aid.

The folks from the Coalition of Greater Minnesota Cities I met with last week are probably happy about that.

Lobbyist Tim Flaherty, Mankato Mayor Eric Anderson and Mankato City Manager Pat Hentges met with me arguing that local government aid is about 25 percent below where it used to be four or five years ago. Mankato used to get close to \$9 million, now it will be getting near \$6.3 million.

Dayton's budget message seemed to emphasize he was not going to put up with property tax increases. The Minnesota Department of Revenue has a study that shows for every \$1 cut in local government aid, property taxes go up 67 cents.

There is now becoming a wide disparity in how much property tax a \$2 million commercial building pays in Eagan versus Mankato.

Former Republican Rep. Dan Dorman of Albert Lea also was traveling with the group. He is now an economic developer in Albert Lea.

Dorman says the Pawlenty era cuts to LGA were the worst thing he ever voted for just because they hurt outstate Minnesota so badly. When he tried to remedy the situation a few years into Pawlenty's term with the famous "Dorman Amendment" taking equal amounts of property tax relief from suburban as well as outstate areas, he lost, with many of his fellow Republicans voting against him.

The Dorman Amendment wouldn't have saved outstate from cuts, it simply would have made all cities, rural and urban, pay their fair share.

Many of those who killed this fair bill were rural and outstate Republicans who were upbraided by this newspaper for their anti-constituent vote.

So far, it appears Dayton is wanting to curtail more cuts to LGA and help keep property taxes stable. It may not play out that way exactly, but outstate cities certainly have a friend in the governor's mansion where a few years ago they had only an enemy.

The LGA lobbying effort this year will be focused on rural legislators. As Flaherty pointed out, they only need a few to vote against the majority, a majority that no longer holds the power of the governor's office.