

# CITIZENS LEAGUE REPORT

No. 61

## **Minneapolis Board of Education**

Authorization of a 6-mil increase in taxing power

**August 1956**

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AUTHORIZATION OF 6 MILL INCREASE IN  
TAXING POWER OF MINNEAPOLIS BOARD OF  
EDUCATION

No. 61

Citizens League  
601 Syndicate Bldg.  
Minneapolis 2, Minn.

Approved  
by Board of  
Directors  
8-24-56

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The Board of Directors of the Citizens League has heard and reviewed the pertinent reports of its Education and Tax and Finance Committee relating to city fiscal policies and the referendum to be voted on September 11 to determine whether the Board of Education should be authorized to increase its taxation of real and personal property by six mills, and has reviewed the report of the Other Taxes Sub Committee of the Finance Task Force of the City Council's Capital Long Range Improvements Committee (CLIC). These reports set forth the following conclusions with which we agree:

1. Minneapolis school operating fund needs for 1957, 1958 and 1959 are substantially in excess of the anticipated available revenues.
2. Minneapolis city operating fund needs are substantially in excess of the anticipated available revenues.
3. Minneapolis has need for more capital expenditures to keep the city's physical plant and equipment up-to-date.
4. Minneapolis depends too heavily on the property tax. Minneapolis' property tax is already at levels which discourage the expansion of existing industries, the location of new industries in the city, the ownership of homes and the building of new homes, and it places a burden on property owners which does not change with their earning capacity.
5. A major new tax source is needed and we concur in principle in the program outlined in the June 19th report of the Other Taxes Sub Committee of CLIC's Finances Task Force as the most feasible overall solution which has been proposed to date.
6. This contemplates legislative authorization of an earnings tax. Proceeds from such a tax would be used for capital improvements and debt service releasing 18 mills of property tax for use in meeting school needs, city needs and reducing the property tax.
7. The granting of additional taxing power to the Board of Education is a logical first step in the implementation of the CLIC Sub Committee report and even though

a temporary increase in property tax rates may result, upon the adoption of the whole program a reduction in Minneapolis tax on property will be accomplished.

Therefore, the Board of Directors of the Citizens League declares its support of the six mill referendum as a first step in the accomplishment of a general solution to city finance problems. It expresses its belief that the school administration will not recommend nor will the Board of Education levy more taxes than are needed for the prudent operation of a good school system. The League Board indicates its confidence that the school administration, Board of Education and other groups particularly interested in the schools will support legislation before the 1957 legislature to accomplish the program outlined in the CLIC sub committee's report, a program which the Citizens League Board believes is vital to the economic well being of the Minneapolis area.

We note the action of the Board of Education on August 14th approving in principle the superintendent's program for the public schools if the referendum passes. While we have not studied this program in detail we recognize the validity of most of the items set out. While six mills is the maximum levy allowed under the referendum it is not necessarily the additional amount which the Board of Education will need to levy for 1957. We believe that the need is clear for a substantial increase in the mill levy for schools. If the referendum is approved we will study and report on the extent to which the increased taxing power should be used.