

CITIZENS LEAGUE REPORT

No. 67

Resolution on Minneapolis City Finances

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PROPOSED RESOLUTION ON MINNEAPOLIS CITY FINANCES

The Citizens League's Tax and Finance Committee has made several studies of the comparative tax burden in Minneapolis, other Minnesota cities and other comparable cities in the United States. These studies have all resulted in the conclusion that the property tax in Minneapolis is carrying a heavier burden than it does in almost any other comparative city. The study has also indicated the need for overhauling the property tax since different standards of assessment are used for different classes of properties and the tax payer has almost no means of redress when his assessment seems unfair.

Despite the heavy load which Minneapolis property owners are presently paying, we find that a number of tax increases are being proposed at the present session of the Minnesota legislature. These increases total almost 8 mills. Although the need for this additional revenue exists and is well known, this is another illustration of where our Government officials have continued to rely on the property tax.

This adds up to the need for a program to overhaul the property tax and to find other sources of revenue for the city. To accomplish anything on these two sources during the next two years, immediate action is necessary while the legislature is in session.

Consistent with these conclusions, the Citizens League is proposing a program of property tax reform which is similar in some respects to the proposal of the Governor's Tax Study Commission and it has also urged the adoption of other forms of taxation to provide additional revenue to meet the City's needs. The League urges city officials to consider and endorse the proposed property tax reforms. However, these reforms will not produce additional revenue for some time, and as is stated above, additional revenue is needed now. Therefore, we urge the CLIC Finance Task Force, CLIC and the City Council to bring forth proposals at this time for getting additional revenue for the City from non-property tax sources.