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FOR IMMEDIATE RELEASE

**New study finds double-digit property tax increases a direct result of
State cuts to schools and local government**

Local governments forced to increase taxes to replace lost state revenues

MINNEAPOLIS, Minn. - Oct. 13, 2006 - Greater Minnesota residents have experienced double-digit property tax increases during the last four years as a direct result of cuts in state aid to schools and local government, according to a study released today by the League of Rural Voters (LRV). The report examined data from the Minnesota State Departments of Finance, Revenue and Education over the four-year period from FY2003-FY2007.

“Because it’s election season, voters are hearing a range of confusing messages about taxes and spending,” said Niel Ritchie, LRV executive director. “We’ve heard more than one politician claim that higher property taxes are the result of excessive spending by schools and local governments. But the facts do not support this position.”

The report shows that the state has made significant cuts in aid to schools and local governments in Greater Minnesota since 2003, forcing local government to increase property taxes. These local tax increases have not kept pace with the lost state revenues to schools and local government, often resulting in budget shortfalls.

“People are paying more and getting less,” Ritchie said. “This is a situation where local officials have done their best to deliver services in the face of dramatic state cuts to schools, cities and counties. Even so, local services have been reduced and per-pupil spending has decreased since 2003. The governor and state legislators need to acknowledge the problem and take responsibility for shifting the burden from the state general fund and income taxes, to local property taxes.”

Electronic and printed copies of the report and statewide and community-specific data are available by contacting Niel Ritchie or The Links Group at the above numbers.

Graphs are also available through Niel Ritchie or The Links Group that demonstrate the local impact of state aid cuts on homestead property tax rates and a corresponding decline in local government revenues in the following thirty Greater Minnesota communities and school districts:

Albert Lea, Alexandria, Appleton, Austin, Bemidji, Benson, Blue Earth, Brainerd, Caledonia, Crookston, Detroit Lakes, Fairmont, Faribault, Fergus Falls, Granite Falls, Jackson, Mankato, Marshall, Moorhead, Morris, Owatonna, Pipestone,

*Redwood Falls, Rochester, Saint Cloud, Thief River Falls, Willmar, Windom,
Winona, Worthington*

About The League of Rural Voters:

The League of Rural Voters was founded in 1985 as a non-profit organization dedicated to increasing the representation of rural people in the public policy making process. The League seeks to build awareness of the economic challenges facing rural communities while advocating for federal and state policies that focus government resources on education, health care and local and regional economic development.

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