



Dedicated to a Strong Greater Minnesota

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Greater Minnesota city leaders demand results from 2017 legislative session

ST. PAUL—With the session deadline looming and little progress thus far on key legislative priorities for rural communities, Greater Minnesota city leaders held a press conference today to caution legislators against repeating last year’s failures on taxes, bonding and transportation.

“Exactly one year ago today, we held a press conference urging legislators to pass an increase in Local Government Aid, a fair and balanced bonding bill and a transportation bill that funds city streets and the Corridors of Commerce program,” said Sara Carlson, Mayor of Alexandria and President of the Coalition of Greater Minnesota Cities (CGMC). “Here we are 365 days later and we are still asking for the same things. What does it take for Greater Minnesota’s needs to be addressed?”

Carlson said that rural Minnesota voters sent a strong message in the November election that their needs and concerns had been ignored for too long. At the start of the session, many city leaders were hopeful that Greater Minnesota issues would get more attention this year since rural legislators make up the majority of the Republican caucus in both the House and Senate. However, with less than two weeks left in the session, serious questions remain about the Legislature’s willingness to invest in rural priorities.

At the top of that list is an increase in Local Government Aid (LGA), the state program that provides property tax relief and allows cities of all sizes to have a similar level of services regardless of their wealth. Nearly 96 percent of Greater Minnesota cities, and 89 percent of cities statewide, receive LGA.

The CGMC is seeking a permanent \$45.5 million increase in LGA funding, the amount needed to bring the program back to its 2002 level. The joint House and Senate tax bill doesn’t come close to this benchmark — it includes just a \$6 million one-time increase for 2018. Under the bill, LGA would revert back to the 2017 funding level the following year.

“The Legislature’s tax bill fails on LGA,” Carlson said. “No state program does more to improve the quality of life and economic competitiveness of Greater Minnesota communities than LGA. I am perplexed as to why our legislators are not investing more into the program.”

Carlson noted that Gov. Dayton has already pledged to veto the tax bill, a decision the CGMC supports. “The Governor should demand a significant and permanent LGA increase in the final tax bill,” she said.

City leaders are also united in their support for a bonding bill this session. For Greater Minnesota cities, the most critical item in this bill is additional money for grant and loan programs that provide funding for wastewater infrastructure.

There is broad bipartisan support for this funding: the Governor’s bonding proposal includes \$167 million, while the Senate bill has \$133 million and the House bill has \$105 million. However, with vastly different ideas about the overall size of the bonding bill — the House bill totals only \$600 million, while the Governor’s plan is nearly \$1.5 billion — passing a bill could be difficult.

“We cannot wait another year for a bonding bill,” said Austin City Administrator Craig Clark. “Like many cities in Greater Minnesota, we are facing massive costs to repair and upgrade our water treatment facilities. If we don’t receive more financial help, cities have no choice but to pass those costs onto our residents and businesses.”

Another long-standing area of concern is transportation. Although city officials want the state to invest more in transportation — particularly city streets and the Corridors of Commerce program — they cautioned the Legislature and Governor against relying too heavily on the general fund.

“Taking too much general fund money for transportation could have a harmful effect on other important priorities like LGA, education and public safety,” said Granite Falls Mayor Dave Smiglewski. “A smart transportation plan that looks out for the long-term success of our state should include a mix of new revenue along with a modest amount of general fund dollars.”

In the waning days of session, the city leaders said they plan to be in frequent contact with their local legislators and other key lawmakers to encourage them to take action on key Greater Minnesota priorities.

“No one wants a repeat of last year,” Smiglewski said, referring to the last-minute failure of several key bills. “Luckily, there is still time for our legislators to make this session a ‘win’ for Greater Minnesota.”

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The Coalition of Greater Minnesota Cities is a nonprofit, nonpartisan advocacy organization representing 90 cities outside of the Twin Cities metropolitan area. The Coalition educates legislators about issues important to Greater Minnesota. Visit the CGMC online at greatermncities.org.

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