



League of Women Voters of Minnesota Records

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STATE OF MINNESOTA
DEPARTMENT OF REVENUE

MAY 7 1986

*Grieling
Crippen
Hes*

May 2, 1986

Ms. Joan Higinbotham, President
League of Women Voters of MN
555 Wabasha Street
St. Paul, MN 55102

Dear Ms. *Joan* Higinbotham:

As you know, Governor Perpich has made tax reduction and tax system overhaul a top priority for 1987. We are pleased to see the interest of key legislative leaders in this issue as well, and we eagerly anticipate a monumental year for tax reform in 1987.

The Governor is deeply committed to establishing and maintaining a tax environment in Minnesota that contributes to economic competitiveness and revenue stability. He hopes that tax rate reductions can occur, and he wants a system that is fair, simple and accountable.

To help prepare recommendations for his consideration by the end of this year, the Governor has appointed an Executive Branch Tax Policy Group consisting of representatives from this department, Finance, State Planning, DEED and the Governor's Office. To help support the work of this Policy Group, we have also created a number of tax policy teams. These teams consist of members from affected state agencies and are now meeting on a weekly basis. The teams, with their chairs, are the following:

- Income and sales taxes (Tom Triplett, 296-3401)
- Property taxes and local aids (John Haynes, 296-0990)
- Business taxes (John James, 297-2656)
- Resource taxation (Patty Burke, 296-3401)
- Special taxes (Art Roemer, 296-0992)
- Agricultural taxation (Dennis Erno, 297-4052)

The first tasks of the teams will be to analyze current problems, collect opinions from groups outside of the Executive Branch, and review the experiences of other states.

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The Governor has asked us to solicit opinions from outside of government on problems with our tax system. We are asking a number of groups for input, and we are expecting substantial interest in this request. To allow us adequate time to consider these views, we would appreciate any written response you might have by May 30.

Feel free to give us advice on any aspects of the tax laws and administration as they relate to the interests of your membership. We encourage you to refer to ideas contained in reports such as that of the Minnesota Tax Study Commission, which we are using as the beginning point for our work.

It may be that the tax teams will want to follow up on ideas received from you. Several of the teams are planning meetings with their "outside advisors," and you will receive word of these meetings when they are scheduled. To help us arrange for follow-up, we encourage you to designate an individual from your organization who could serve as a principal contact for each tax team in which your group has an interest.

Finally, we are preparing a standard speech with supporting visuals which will demonstrate the problems we have in Minnesota with our tax system. This presentation will highlight those parts of the system that are uncompetitive, overly complex and difficult to enforce. We will use these speaking opportunities to solicit additional suggestions for reform. Top management from the department will be pleased to make this presentation to your organization if you think it would be useful. Please let me know.

Thanks much for your interest in tax reform in Minnesota.

Sincerely,



Tom Triplett
Commissioner
Department of Revenue
Centennial Office Building
St. Paul, MN 55145
296-3401

cc: Governor Perpich

Contact Erica Buffington for more
information - 929-8168

Statement before Ethical Practices Board

Special Public Meeting

October 7, 1981

The League of Women Voters of Minnesota's purpose is to promote political responsibility through informed and active participation of citizens in government and to act on selected governmental issues. There are 65 local Leagues in the state with a total membership of 3,500 plus.

The League has had, since 1961, a position on campaign financing. Our position includes "action to improve methods of financing political campaigns in order to make our government more accountable, more representative, more responsive to all of our citizens."

We are concerned about fundraisers being held by elected state officeholders while the Legislature is in active session. The League is very interested in seeing the results of the data that is being compiled both through this hearing and the questionnaire. Based on the results, the League will then be able to assess its position.

We are looking forward to working with the Ethical Practices Board in developing proposals and recommendations to the Legislature about the conduct of campaigns for public office.

To: Local Leagues
From: Erica Buffington, Government Co-chair
Re: Tax Statement, Open Meeting Law Amendment - Day on the Hill
Date: April 9, 1981

TAX STATEMENT

As many of you know, this legislative session has to make tough decisions on the state budget. Up until now, current dollar amounts have not been available. Due to the shortfall in revenue the state experienced in March, the Department of Revenue will be releasing their figures early--April 7th or 8th--rather than the 15th as they had earlier stated. Recent statements by the Governor and other state officials as to possible action in the tax area make it necessary for the League to speak out now.

Tax Statement: The Governor has proposed a budget which would include cuts in almost all areas and shift the funding of many public services to the local level. For local government to provide the current level of services, the Governor has acknowledged that some increase in the property tax would be necessary. The LWVMN is strongly opposed to any increase in the property tax. League position states that "dependence on the property tax be diminished because it does not necessarily reflect ability to pay, and equitable administration is difficult. Local services such as police and fire protection and for streets and parks are the services most appropriately financed by the property tax. Services of broader than local significance such as welfare are less appropriately financed by the property tax."

These positions were first reached in 1967 and have been reaffirmed by the 1979 state Convention. If a tax increase is necessary, the League would support more progressive individual income tax rates with exemptions retained at a 1977 level. We would, however, oppose an across-the-board increase in income tax rates. The state income tax should be the elastic tax, making rates more progressive when an increase in state revenue is needed. The LWVMN strongly urges the Legislature to consider the effect that an increase in property taxes would have on the citizens of the state.

OPEN MEETING LAW AMENDMENT

The LWVMN strongly supports HF 630 (Wynia, Ellingson, Brandl, Dempsey, Osthoff), which would require the availability to the public of any materials relating to agenda items at a public meeting. We support this bill based on an LWVUS principle of openness in government and citizen participation in the governing process.

The LWVMN also supports this bill in the belief that it will help promote an open governmental system that is accountable and responsive to all citizens.

This bill will most likely be on the House floor the week of April 13th. We urge a yes vote on HF 630.

To:

From: Erica Buffington, Government Co-chair

Re: Amendment 2

Date: August 27, 1980

This fall there will be five constitutional amendments on the ballot. The League of Women Voters of Minnesota (LWVMN) is working for the passage of Amendment 2, which is concerned with Campaign Spending: Limits and Disclosure.

Amendment 2 would require the Minnesota Legislature to limit by law the amount of campaign spending for Governor, Lieutenant Governor, Secretary of State, Auditor, Treasurer, Attorney General, and the Legislature. Spending limits would rise or fall with the consumer price index. The amendment would require the Legislature to provide by law for public disclosure of contributions and expenditures to support or oppose candidates for state offices.

The LWVMN has had a position in support of limiting the amount of campaign spending since 1974 and supports the current campaign spending limits law. However, inflation has caused continuing increases in the cost of political campaigns. We believe that tying spending to the consumer price index would create more realistic limits. If voters do not ratify the amendment, existing statutory limits on campaign spending will be automatically repealed effective December 31, 1981.

LWVMN has also supported full and timely disclosure of all campaign contributions and expenditures. Existing laws requiring public disclosure of campaign spending would remain in effect if the amendment fails to pass.

We would like to form a Coalition to work toward passage of Amendment 2. We will have to work hard because, as you know, amendments to the Constitution require a "YES" majority of those voting on the election to pass.

If your organization is interested in joining a Coalition for "YES ON 2," please contact the LWVMN office, 555 Wabasha, St. Paul 55102. If you have questions, please call the office (224-5445) or my home (929-8168).



files

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

Contact Erica Buffington for more
information - 929-8168

Statement before Ethical Practices Board

Special Public Meeting

October 7, 1981

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We are looking forward to working with the Ethical Practices Board in developing proposals and recommendations to the Legislature about the conduct of campaigns for public office.

OCT 15 1981



**STATE OF MINNESOTA
STATE ETHICAL PRACTICES BOARD**

41 STATE OFFICE BUILDING
ST. PAUL, MINNESOTA 55155
PHONE: (612) 296-5148

October 13, 1981

Ms. Erica Buffington
League of Women Voters
555 Wabasha
St. Paul, MN 55102

Dear Ms. Buffington:

Thank you for your letter as testimony to be used at the public hearing held October 7, 1981, on the subject of officeholders conducting fundraisers during the legislative session.

The matter has been referred to a subcommittee of the Board for further study in preparation of a finding to be presented to the entire Board at their November 23, 1981 meeting. This subcommittee will be meeting on October 27, 1981, at 1:00 p.m., in Room 51 of the State Office Building, to review the analyses gleaned from the questionnaires which were distributed, along with the testimony given at the public hearing. A copy of the Board's finding will be forwarded to you when the matter is concluded.

You are cordially invited to attend the October 27th meeting if your schedule permits.

Sincerely,

A handwritten signature in cursive script that reads "Mary Ann McCoy".

Mary Ann McCoy
Executive Director

MAMcC:cg



Statement presented to the
Tax Committee - Division I - House of Representatives
by Frances Boyden, Tax Lobbyist
League of Women Voters of Minnesota
March 20, 1979

Chairman Searles and members of the Committee, I am Frances Boyden, representing the League of Women Voters of Minnesota.

Members of the League throughout Minnesota recently studied state government financing. One of our conclusions was that taxes should be reduced when there is a state budget surplus and that this should be accomplished by lowering the tax rates for all income levels.

League members believe that under the present income tax structure, lowering the tax rates for all income levels is the most fair and equitable method of reducing taxes.

We support proposals which would reduce income taxes by decreasing the effective rate on all levels of income, rather than proposals to give tax relief through a general tax refund or through increasing various tax credits or individual exemptions.

Therefore, the League of Women Voters of Minnesota urges you to pass House File 426, Representative Faricy's bill, which reduces the tax rates on 1979 income by expanding the tax rate brackets. We also support House File 476, Representative Peterson's bill, adjusting the tax brackets for inflation for the years 1980 and beyond.

We would like to commend the Committee for hearing these important bills this early in the session, so that there will be time for a full public discussion of the alternatives in reducing taxes.

We appreciate this opportunity to present the position of the League of Women Voters.

Thank you.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

To: Minnesota Legislators
From: Pam Berkwitz, Action Chair; Karen Anderson, Government Chair; Betty Shaw,
Education Chair
Date: March 17, 1978

The League of Women Voters of Minnesota (LWVMN) is concerned about the content of two major bills which you will soon be considering. LWVMN urges you to support measures to cut income tax rates and also to support school aid proposals to retain 3½-year averaging and stabilization of the grandfather levy. Both issues have changed form frequently. We hope you will support each on its own merits and as part of total legislative budget considerations.

Tax reduction proposals now deal with various methods of increasing tax credits. The implications of increasing credits are unclear; they appear to benefit just some groups of taxpayers at the expense of others. LWVMN supports a cut in income tax rates, because rate cuts clearly and simply benefit all taxpayers in the state.

Proposals for the School Aids bill were very different in the House (HF 1885) and Senate (SF 1781) bills. LWVMN supports retaining 3½-year averaging (House version of the bill) and stabilization of the grandfather levy (Senate version of the bill) in recognizing the financial needs of districts with declining enrollment.

The LWVMN supports both increased school aids and a cut in tax rates because:

- . Finance Department estimates of the surplus have been conservative in the past;
- . estimates for increases in school aids are somewhat high, since they do not account for the fact that the assessed valuation of property increases each year, thereby generating more locally raised revenue from the 27 mill limit school districts levy;
- . estimates for decreased revenues due to tax cuts are high because implications of proposed credits are unclear.

LWVMN hopes that both of these issues will be given proper and adequate consideration in the next few days and that neither tax cuts nor school aids will suffer in the scurry to end the legislative session.



**LEAGUE OF WOMEN VOTERS
OF MINNESOTA**

PHONE (612) 224-5445

555 WABASHA • ST PAUL, MINNESOTA 55102

action

TIME FOR ACTION

To: All Local Leagues
From: Pam Berkwitz, Action Chair; Karen Anderson, Government Chair; Betty Shaw, Education Chair
Re: Contact your Legislators (Representatives and Senator) immediately about Tax and School Aids Proposal
Date: March 16, 1978

Education and tax legislation are both currently in conference committees. The issues are tied together because the size of the budget surplus is still being debated.

BACKGROUND

Both issues have changed form frequently and will probably do so again in conference committee. Tax reduction proposals now deal with various methods of increasing tax credits. The implications of increasing credits are unclear; they appear to benefit just some groups of taxpayers at the expense of others. LWVMN, as stated in our Financing State Government position, continues to support a cut in income tax rates because rate cuts clearly and simply benefit all taxpayers in the state.

Proposals for the School Aids bill were very different in the House (HF 1885) and Senate (SF 1781) bills. Our position, based on LWVMN's 1976 study of the school aid formula, clearly supports retaining 3½-year averaging (House version of the bill) and stabilization of the grandfather levy (Senate version of the bill) in recognizing the financial needs of districts with declining enrollment. (Averaging enables districts with declining enrollments to average their pupil unit counts over a 3½-year period in recognition that costs do not decline in as rapid a proportion as the income reduction. The "grandfather levy" permits districts which were spending more than the 1971 state average, \$663, to levy for the difference between that district's actual average and the state average. The grandfather levy was to be reduced by 2½% of the original sum per year. See 'LET'S TAKE ANOTHER LOOK AT THE MINNESOTA MIRACLE', Minnesota VOTER, January-February, 1976, for more details if needed.)

We believe that we can continue to support both increased school aids and a cut in tax rates because: Finance Department estimates of the surplus have been conservative in the past; estimates for increases in school aids are somewhat high, since they do not account for the fact that the assessed valuation of property increases each year, thereby generating more locally raised revenue from the 27 mill limit school districts should levy; estimates for decreased revenues due to tax cuts are high because the implications of proposed credits are unclear and because rate cut estimates were part of a larger tax package.

CONTACT YOUR LEGISLATORS NOW, AND URGE THEM TO SUPPORT A CUT IN INCOME TAX RATES AS WELL AS SCHOOL AIDS PROPOSALS TO RETAIN 3½-YEAR AVERAGING AND STABILIZATION OF THE GRANDFATHER LEVY.

We need to contact legislators before floor action occurs, which will be probably be March 20 to March 22. Letters to legislators must be sent by Saturday, March 18; otherwise, you must phone to insure contact before floor action.

To: Minnesota Legislators
From: Helene Borg, President
Karen Anderson, Government Co-Chair
Frances Boyden, Tax Lobbyist
Nancy Witta, Tax Lobbyist
Date: January 8, 1979

THE LEAGUE OF WOMEN VOTERS OF MINNESOTA HAS LOCAL LEAGUES IN EVERY MINNESOTA SENATE DISTRICT AND IN MOST HOUSE DISTRICTS.

League members STUDY - ADOPT POSITIONS - TAKE ACTION.

The League has studied FINANCING GOVERNMENT IN MINNESOTA and will work for the following positions during the 1979 Session:

We support

- A flexible Minnesota multi-tax system.
- Decreased taxation when there is a budget surplus.
- Lowering income tax rates for all income levels.
- Continued state aids to local school districts and local governments.
- Retaining the 4% Minnesota sales tax with no increase in exemptions.
- More efficient state administrative and legislative expenditures.

We oppose

- Increasing individual income tax exemptions.
- A general tax refund.
- Increases in spending for general state government and the legislative branch.
- Increases in spending for public retirement benefits.

We appreciate your attention to these opinions of our members.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

September 7, 1978

The Honorable Bill McCutcheon
29 Capitol
St. Paul, MN 55155

Dear Senator McCutcheon:

The League of Women Voters of Minnesota would like to comment on your tax shift proposal presented at the June 15th meeting of the Senate Committee on Taxes. We commend you for presenting the proposal to the public for comments and suggestions before writing it into bill form.

League positions relating to your proposal have been established through our studies of property tax reform, funding of education and financing state government. The League has long supported less dependence on the property tax as a source of revenue. Minnesota Legislatures have gradually been moving in this direction, and the League continues to support this movement.

We also support increased state funding of basic education and welfare costs; however, we have some concerns regarding these specific proposals. We believe that public services of broader than local significance, such as welfare, are less appropriately financed by the property tax. Your proposal would provide for uniform state-wide payment levels for general assistance programs. Our concern is that assistance levels not be reduced below present levels. We believe education is appropriately financed partly by the property tax (to maintain local control) and partly by revenue from other sources. While your proposal involves no actual change in local control, it is important that the proposal be explained in a way to emphasize this.

While the League supports a shift away from the property tax, we are concerned that all the implications of a sudden shift to the sales tax be known before such a move is made. We do support retaining sales tax exemptions regardless of the level of taxation. Though the progressivity of the sales tax can be improved somewhat by the exemptions, the sales tax is still basically a regressive tax. We would prefer that the elasticity of the income tax be used to provide gradual adjustments in property tax levels.

Thank you for your attention to these comments. Enclosed is a copy of our complete financing state government position for your information.

Sincerely,

Karen Anderson, Government Co-Chair

Helene Borg

Helene Borg, President

Karen Anderson

cc: Members of the Senate Committee on Taxes and Tax Laws

It goes this way unless you
scream by noon - when we
close down

Memo to MN Legislators

From: Pam Berkwitz, Action Chair, Karen Anderson, Government Chair, Betty Shaw, Education Chair

Date: March 17, 1978

(LWVMN)

The League of Women Voters of Minnesota is concerned about the content of two major bills which will be considered by the House and Senate at the end of the legislative session. LWVMN urges you to support measures to cut income tax rates and also to support school aid proposals to retain 3½-year averaging and stabilization of the grandfather levy. Both issues have changed form frequently. We hope you will support each on its own merits and as part of total legislative budget considerations.

① ^{reduction} Tax cut proposals now deal with various methods of increasing tax credits. ③ LWVMN, ^{as stated in our Financing State Government position,} continues to support a cut in income tax rates, because ^{rate cuts} clearly and ^{uncomplicatedly} benefits all taxpayers in the state. ② The implications of increasing credits are unclear; they appear to benefit just some groups of taxpayers at the expense of others.

Proposals for the School Aids bill were very different in the House (HF 1885) and Senate (SF 1781) bills. ~~Our position, based on LWVMN's 1976 study of the school aid formula, clearly supports retaining 3½-year averaging (House version of the bill) and stabilization of the grandfather levy (Senate version of the bill) in recognizing the financial needs of districts with declining enrollment.~~

^{the LWVMN} We believe that ~~we~~ ^{it} can continue to support both increased school aids and a cut in tax rates because: Finance Department estimates of the surplus have been conservative in the past; estimates for increases in school aids are somewhat high, since they do not account for the fact that ^{the assessed valuation of property increases each year} property taxes contribute a substantial portion of school funds; estimates for decreased revenues due to tax cuts are high, both ^{there by generating more locally raised revenue from the 21 mil limit school districts} because ^{proposed of proposed credits} credit implications are unclear and ^{because} rate cut estimates were part of a larger tax package.

^{LWVMN} We hope that both of these issues will be given proper and adequate consideration in the next few days and that neither tax cuts nor school aids will suffer in the ^{scurry} hurry(?) to end the legislative session.

What means?
different?
bigger?
larger?

To: LWV-Minneapolis
LWV-Crookston
LWV-St. Peter
LWV-M.E.P.-H.
LWV-Buffalo-Monticello

*related
educ. action*

From: Betty Shaw, Education Chair
Re: HF 1885, School Aids Bill
Date: March 13, 1978

There are the members of the House Conference Committee debating the School Aids Bill, HF 1885:

Rep. Thomas K. Berg, 368 State Office Building (296-4266)
Rep. Willis R. Eken, 335 State Office Building (296-4256)
Rep. Carl M. Johnson, 340 State Office Building (296-4270)
Rep. Gerald C. Knickerbocker, 391 State Office Building (296-4315)
Rep. Bob McEachern, 339 State Office Building (296-4237)

The Senate has not yet appointed its Conference Committee. SF 1781 is the Senate bill number.

Write or call urging Conference Committee members to retain 3½-year averaging (House version of bill) and stabilization of grandfather levy (Senate version of bill) in recognizing the financial needs of districts with declining enrollments. Note that for districts with declining enrollment costs do not decline in as rapid a proportion as the income reduction.

This is based on LWVMN's 1976 study of the school aids formula.

Memo to Minnesota House Committee on Taxes

Date: March 9, 1978

changes for oral statement

The League of Women Voters of Minnesota continues to support a reduction of income tax rates because it clearly ^{simply} benefits all taxpayers in the state.

We question the implications of ^{the} ~~other~~ proposals introduced this morning. Will ^{the credit proposals} ~~they~~, in fact, benefit those groups of people they're meant to benefit? Will the public understand who is benefiting? Will those who are meant to receive the benefits understand the complicated processes necessary to receive the benefits?

The League is pleased that you're attempting to address the budget surplus with some means of tax relief. We hope that it will be done in a way that is as simple as possible and will benefit as many as possible of those who contributed to the budget surplus.

Thank you.

Memo to Minnesota House Committee on Taxes

Date: March 9, 1978

The League of Women Voters of Minnesota continues to support a reduction of income tax rates because it clearly benefits all taxpayers in the state.

We question the implications of other proposals introduced this morning. Will they, in fact, benefit those groups of people they're meant to benefit? Will the public understand who is benefiting? Will those who are meant to receive the benefits understand the complicated processes necessary to receive the benefits?

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memo to

~~Testimony given to~~
~~the Taxes and Tax Laws Committee~~

~~Minnesota Senate~~
~~Comm. on Taxes~~ *House*
March 8, 1978

The League of Women Voters of MN urges you to adopt the reduction in tax rates covered in HF 2250.

~~I am Karen Anderson, Government Chair of the League of Women Voters of Minnesota. The League appreciates this opportunity to present its views on proposed changes in the Minnesota tax structure.~~

The League has over 4,000 members representing every Senatorial district in Minnesota. The members have studied and discussed expenditures and taxation in the state and concluded that the Minnesota individual income tax should be used as the elastic tax, adapted to reflect economic conditions and state needs. Therefore, I'll restrict my comments to the proposed changes in the income tax.

When there is a budget surplus, and an opportunity for reduced taxation, League members strongly support a reduction in income tax rates. Instead of returning the excess as a rebate, or providing reductions for just some segments of taxpayers, League prefers an across-the-board rate reduction. We support the Governor's proposal of rate reductions because it clearly provides across-the-board relief. The implications of other proposals are unclear. We oppose extensions of exemptions or credits as a means of providing reductions unless they are used to correct inequities in the present tax. Therefore, the League urges you to adopt a reduction of income tax rates.

The League of WV of MN continues to support a reduction of income tax rates because it clearly benefits all taxpayers in the state.

We question the implications of other proposals introduced this morning. Will they, in fact, benefit those groups of people they are meant to benefit? Will the public understand who is benefitting? Will those who are meant to

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benefits understand the ~~way of seeing~~
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that it will be done in a way that
is as simple as possible and will
benefit as many ^{as possible} of those who contributed
to the budget surplus. ~~as possible~~

To: Members of House Committee on Taxes
From: Helene Borg, President; Pam Berkwitz, Action Chair; Karen Anderson,
Government Co-Chair
Date: March 8, 1978

The League of Women Voters of Minnesota urges you to adopt the reduction in income tax rates covered in HF 2250.

The League has over 4,000 members representing every Senatorial district in Minnesota. The members have studied and discussed expenditures and taxation in the state and concluded that the Minnesota individual income tax should be used as the elastic tax, adapted to reflect economic conditions and state needs.

When there is a budget surplus, and an opportunity for reduced taxation, League members strongly support a reduction in income tax rates. Instead of returning the excess as a rebate, or providing reductions for just some segments of taxpayers, League prefers an across-the-board rate reduction. We support the Governor's proposal of rate reductions because it clearly provides across-the-board relief. The implications of other proposals are unclear. We oppose extensions of exemptions or credits as a means of providing reductions unless they are used to correct inequities in the present tax. Therefore, the League urges you to adopt a reduction of income tax rates.

Testimony given to
the Taxes and Tax Laws Committee
Minnesota Senate

March 6, 1978

The LWV MN urges you to adopt ~~Governor Perpich's proposal~~
~~for the reduction in income tax rates covered in HF 2250~~

I am Karen Anderson, Government Chair of the League of Women Voters of Minnesota. The League appreciates this opportunity to present its views on proposed changes in the Minnesota tax structure.

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~~we question~~ ^{we wonder about} the implications of homemaker's credit
Would it in fact benefit ~~the~~ ^{the parents of small children?} ~~the parents of small children?~~

support recognition of homemaker's contribution, but ~~is this~~ ^{we question this particular} method
to accomplish it,

Rm 297 SOB - comm. office

Testimony given to
the Taxes and Tax Laws Committee
Minnesota Senate

March 6, 1978

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Tax Base Sharing and Fiscal Disparities: What's It All About

Jerry Enders

A close look at the various communities in the Twin Cities Area reveals some fundamental differences in their ability to provide services to their residents. The problem stems from the inability of some communities to generate needed revenues because of an inadequate amount of taxable property or because the property does not have a high enough value to produce sufficient tax dollars. Some communities are older and have a shrinking tax base that remains stable. At the same time other communities are growing and attracting new tax bases and development, or their existing tax base continually increases in value. These differences in tax base and ability to generate revenue is termed fiscal disparities.

In 1971 the Minnesota legislature passed the Weaver Bill also called the Fiscal Disparities Bill to help correct some of this disparity. The bill created a metro "pot" and each taxing jurisdiction in the area shares in the pot on the basis of a formula. The elements that enter into the calculation of the formula are population and the ability to generate revenue as measured by the percapita market value of taxable real property. Communities that have increases in industrial/commercial tax base contribute 40% of that new tax base to the metro pot. This reflects the effects of new construction, inflation, demolition, revaluation, appreciation, and depreciation. The remaining 60% of new industrial/commercial tax base remains as part of the community's tax base. The tax base which makes up the metro pot is then distributed according to the formula and communities that are "gainers" receive revenue from the new tax base just as if the property was physically located within their boundaries. Taxes are assessed on the property by a combination of the local tax rate and a uniform metro tax rate. Some communities are gainers because they receive revenue from their own property plus a share from the metro pot, and some lose revenue. The pot reflects only new industrial/commercial tax base and will grow each year as additions are made to it.

Over the two years the system has been in operation, of the 195 communities participating, 143 have been gainers and 52 were losers.

The impact of the fund has been as expected. It has taken tax base from the communities which have received a disproportionate amount of new growth, and shifted that revenue to communities in need of more tax dollars. The general trend has been for the developing suburbs to contribute to the more mature areas and to the rural outlying communities. As the fund continues, the effect of equalization will increase as more and more is added to the pot.

One effect of the system is to relieve communities from the pressure to pursue commercial/industrial development in order to create needed tax base. They benefit from the areawide growth without suffering from possible inappropriate or premature physical development.

Another effect of fiscal disparities is the tax rate on all commercial/industrial property has tended to become more uniform throughout the metro area. This has happened because of the formula used to calculate the actual tax rate on the tax base in the pot.

(over)

The system makes it possible for communities to shift from "loser" to "gainer" as their situation changes. Communities that have had increases in tax base for a number of years may contribute more to the pot than they receive. However, they may become "gainers" as their development slows. There is a built-in safeguard against the effects of aging and slowed development for maturing communities. There have been no disproportionate gainers or losers.

Since residential property is not included in the metro pot, contributing communities have been able to plan and develop without suffering severe adverse effects from the areawide tax base sharing.

Reference:

Tax Base Sharing: The Minnesota Program after Two Years, Metropolitan Council, December 1977.

LEAGUE OF WOMEN VOTERS OF MINNESOTA



555 WABASHA • ST. PAUL, MINNESOTA 55102

PHONE: (612) 224-5445

TO: Fran Boyden 646-1028

FROM: Karen Anderson

SUBJECT: Proposed income tax cut

DATE: February 28, 1978

MEMO

Enclosed are HF 2250 and SF 2051 which contain Perpich's proposed income tax cut, among other things. HF 2250 had a briefing in House Taxes but has not yet scheduled hearings. They are to notify me before they do so. SF 2051 will be briefed by Ronnie Brooks before Senate Tax Comm. this Friday, March 3, at 3:00 p.m., Room 15. Can you be there? They may begin hearing testimony on Monday, March 6, at same committee, and we're on their list to be heard from.

I'll call you before Friday.

FINANCING STATE GOVERNMENT

POSITION STATEMENT

Support of an equitable and flexible system of taxation. (LWVUS Principles) Support of a flexible Minnesota multi-tax system with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short and decreased taxation when there is a budget surplus. Support of using the Minnesota individual income tax as the elastic tax, making rates more progressive when increasing state revenue and lowering rates for all income levels when decreasing state revenues. Support of state relief for property taxes. (LWVMN 1977) Support of property tax reform. (LWVMN 1967)

Strong support for setting priorities in allocating state funds. Strong support of state aids to local governments, especially to local school districts and to the local governmental unit that provides the major portion of local services (county and/or city). Strong support of more efficient state administrative and legislative expenditures. (LWVMN 1977)

POSITIONS

- When taxation is increased to provide additional revenue, we:
 - support retaining exemptions to the sales tax; support sales tax increases on cigarettes and tobacco and alcoholic beverages; do not agree on a general raise in sales tax rates.
 - support more progressive individual income tax rates with exemptions retained at 1977 level; support retaining deductibility of federal income taxes as a feature of the Minnesota income tax; oppose an across-the-board increase in income tax rates.
 - support retaining the Minnesota corporate excise tax with no increase in rate; do not agree on changing the corporate tax to a progressive rate.
 - support retaining the homestead credit and senior citizen freeze credit as forms of state relief for property taxes; support retaining the income-adjusted homestead credit (circuit-breaker).
- When measures are taken to decrease taxation, we:
 - support retaining the 4% Minnesota sales tax with no increase in exemptions.
 - support a decrease in individual income tax rates; oppose an increase in individual income tax exemptions; oppose a general tax refund.
 - support an increase in the homestead credit as a form of state relief for property taxes.
 - do not agree on decreasing the corporate excise tax rate.
 - do not agree on providing an increase in the income-adjusted homestead credit (circuit-breaker).
- When cuts in state spending are necessary, we:
 - support cuts in spending for general state government, governor and related agencies, and the legislative branch.
 - oppose cuts in state aid to local governments, especially local school districts.
 - oppose cuts in state spending for natural resources, corrections, higher education and agriculture.
- When increases in state spending are proposed, we support setting priorities for state spending rather than a percentage increase in all areas of state funding. We:
 - support an increase in state aids to local school districts.
 - oppose increases in spending for general state government, governor and related agencies, and the legislative branch; oppose increases in spending for public retirement benefits.

support increases for mass transportation of benefit to the entire state.

Bob McEachern

District 18B
Wright-Sherburne Counties
Committees:
Education, Vice-Chairman
Labor-Management Relations
Local and Urban Affairs



JAN 18 1978

Minnesota House of Representatives

Martin Olav Sabo, Speaker

January 11, 1978

Karen Anderson
Government Co-Chairperson
League of Women Voters of Minnesota
555 Wabasha
St. Paul, MN 55102

Dear Karen,

Thank you for the copy of the League of Women Voters' position on state finances. It is too bad that you did not explain why these positions were taken in your summary statement.

Again, thank you for the summary.

Sincerely,

A handwritten signature in cursive script that reads "Bob".

Bob McEachern
State Representative
District 18B

BMc:lt

DEC 24 1977

EARL W. RENNEKE

Senator 23rd District
Rural Route 2
LeSueur, Minnesota 56058
(612) 237-2613

Counties: Sibley, Parts
of McLeod, Nicollet, LeSueur,
Scott & Blue Earth

Senate
State of Minnesota

December 20, 1977

Karen Anderson, Government Co-Chairperson
League of Women Voters of Minnesota
555 Wabasha
St. Paul, Minnesota 55102

Dear Ms. Anderson:

Just a note to say thank you for sending me a
copy of the League's position statement on
financing state government.

It will be very helpful in our deliberations
at the 1978 session.

Your thoughtfulness is appreciated.

I wish you a happy holiday season.

Sincerely yours,

Earl W. Renneke

Earl W. Renneke
State Senator

EWR:p

To: Members of the Minnesota Legislature
From: Karen Anderson, Government Co-Chairperson
Re: Financing State Government Position
Date: December 15, 1977

After two years of research, study and discussion, the League of Women Voters of Minnesota (LWVMN) has recently arrived at a new position on financing state government. This position represents the attitudes of League members who reside in every senatorial district in the state.

The enclosed position covers major state taxes as well as some areas of state expenditures. On December 7, 1977, the LWVMN delivered testimony to the Income Tax Subcommittee of the Minnesota Tax Study Commission on the income tax portion of the position. You will note that the position supports a decrease in individual income tax rates when measures are taken to decrease state taxation.

The LWVMN will be lobbying at the Legislature in support of its financing state government position statement.

The Honorable Rudy Perpich
Governor of the State of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Perpich:

After two years of research, study and discussion, the League of Women Voters of Minnesota (LWVMN) has recently arrived at a new position on financing state government. This position represents the attitudes of League members who reside in every senatorial district in the state.

The enclosed position covers major state taxes as well as some areas of state expenditures. On December 7, 1977, the LWVMN delivered testimony to the Income Tax Subcommittee of the Minnesota Tax Study Commission on the income tax portion of the position. You will note that the position supports a decrease in individual income tax rates when measures are taken to decrease state taxation.

We are pleased to see that your staff made a similar recommendation to the Income Tax Subcommittee on October 12, 1977. In view of the state budget surplus, we support such a recommendation.

The LWVMN will be lobbying at the Legislature in support of its financing state government position statement.

Sincerely,

Karen Anderson
Government Co-Chairperson

A:M
Enclosure

Testimony given to
the Income Tax Subcommittee
of the Minnesota Tax Study Commission
December 7, 1977

I am Karen Anderson, Government Chair^{person} of the League of Women Voters of Minnesota (LWVMN). The LWVMN appreciates the opportunity to testify before you in order to present our position on state income taxes, which is a part of a new LWVMN position on financing state government.

I'd like to give you a brief explanation of how the position was formed. There are about 4,500 members in 69 Leagues throughout Minnesota. At the 1975 state Convention, League members adopted a study of financing state government. Members of a state committee then spent a year and a half doing research on Minnesota taxation and expenditures and producing a series of papers on governmental financing in Minnesota. Copies of the papers were distributed to legislators, public officials and business and community groups throughout the state as part of a public education project. Leagues also used workshops and a variety of speakers to familiarize themselves with the subject. Earlier this year, League members participated in small discussion groups where they made their wishes known on subjects relating to state taxation and expenditures.

The resulting position statement, arrived at in these discussion groups, addresses the major taxes as well as some areas of state expenditures. ^{I also supplements, expands on} The Minnesota income tax is a pivotal part of this position. League members did not support major ^{previous property tax position} changes in any other state taxes; they agreed that the income tax should be the flexible state tax, adapted to reflect economic conditions and state needs.

Generally, League members favor an equitable and flexible system of taxation, using the income tax as the elastic tax. We support more progressive rates when there is a need for increased state revenues and a decrease in rates when there is a budget surplus. We'd prefer this to be an across-the-board rate decrease, with some relief for all taxpayers. Besides the preference for using the income tax for flexibility, we support income tax exemptions being retained as they are now, not expanded to provide relief to certain segments of taxpayers, or removed. We also support retaining deductibility of federal income taxes as a feature of the Minnesota income tax.

While League members support a continuation of support for most state services, there is some concern about the continued budget surplus the state has been experiencing. League members oppose a general tax refund and would prefer that the money not be collected at all, by a reduction of income tax rates. ^{Copies of position here}
^{Introduce Frances Boyden, a league lobbyist who is following legislation relating to taxation.}
^{We'd be happy to answer any questions you have about position}

FINANCING STATE GOVERNMENT

POSITION STATEMENT

Support of an equitable and flexible system of taxation. (LWVUS Principles) Support of a flexible Minnesota multi-tax system with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short and decreased taxation when there is a budget surplus. Support of using the Minnesota individual income tax as the elastic tax, making rates more progressive when increasing state revenue and lowering rates for all income levels when decreasing state revenues. Support of state relief for property taxes. (LWVMN 1977) Support of property tax reform. (LWVMN 1967)

~~Strong~~ support for setting priorities in allocating state funds. ~~Strong~~ support of state aids to local governments, especially to local school districts and to the local governmental unit that provides the major portion of local services (county and/or city). ~~Strong~~ support of more efficient state administrative and legislative expenditures. (LWVMN 1977)

POSITIONS

- . When taxation is increased to provide additional revenue, we:
 - support retaining exemptions to the sales tax; support sales tax increases on cigarettes and tobacco and alcoholic beverages; do not agree on a general raise in sales tax rates.
 - support more progressive individual income tax rates with exemptions retained at 1977 level; support retaining deductibility of federal income taxes as a feature of the Minnesota income tax; oppose an across-the-board increase in income tax rates.
 - support retaining the Minnesota corporate excise tax with no increase in rate; do not agree on changing the corporate tax to a progressive rate.
 - support retaining the homestead credit and senior citizen freeze credit as forms of state relief for property taxes; support retaining the income-adjusted homestead credit (circuit-breaker).
- . When measures are taken to decrease taxation, we:
 - support retaining the 4% Minnesota sales tax with no increase in exemptions.
 - support a decrease in individual income tax rates; oppose an increase in individual income tax exemptions; oppose a general tax refund.
 - support an increase in the homestead credit as a form of state relief for property taxes.
 - do not agree on decreasing the corporate excise tax rate.
 - do not agree on providing an increase in the income-adjusted homestead credit (circuit-breaker).
- . When cuts in state spending are necessary, we:
 - support cuts in spending for general state government, governor and related agencies, and the legislative branch.
 - oppose cuts in state aid to local governments, especially local school districts.
 - oppose cuts in state spending for natural resources, corrections, higher education and agriculture.
- . When increases in state spending are proposed, we support setting priorities for state spending rather than a percentage increase in all areas of state funding. We:
 - support an increase in state aids to local school districts.
 - oppose increases in spending for general state government, governor and related agencies, and the legislative branch; oppose increases in spending for public retirement benefits.
 - support increases for mass transportation of benefit to the entire state.

FINANCING STATE GOVERNMENT

POSITION STATEMENT

Support of an equitable and flexible system of taxation. (LWVUS Principles) Support of a flexible Minnesota multi-tax system with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short and decreased taxation when there is a budget surplus. Support of using the Minnesota individual income tax as the elastic tax, making rates more progressive when increasing state revenue and lowering rates for all income levels when decreasing state revenues. Support of state relief for property taxes. (LWVMN 1977) Support of property tax reform. (LWVMN 1967)

Strong support for setting priorities in allocating state funds. Strong support of state aids to local governments, especially to local school districts and to the local governmental unit that provides the major portion of local services (county and/or city). Strong support of more efficient state administrative and legislative expenditures. (LWVMN 1977)

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 - support retaining exemptions to the sales tax; support sales tax increases on cigarettes and tobacco and alcoholic beverages; do not agree on a general raise in sales tax rates.
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- . When measures are taken to decrease taxation, we:
 - support retaining the 4% Minnesota sales tax with no increase in exemptions.
 - support a decrease in individual income tax rates; oppose an increase in individual income tax exemptions; oppose a general tax refund.
 - support an increase in the homestead credit as a form of state relief for property taxes.
 - do not agree on decreasing the corporate excise tax rate.
 - do not agree on providing an increase in the income-adjusted homestead credit (circuit-breaker).
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- . When increases in state spending are proposed, we support setting priorities for state spending rather than a percentage increase in all areas of state funding. We:
 - support an increase in state aids to local school districts.
 - oppose increases in spending for general state government, governor and related agencies, and the legislative branch; oppose increases in spending for public re-

tirement benefits.

- support increases for mass transportation of benefit to the entire state.

Testimony given to
the Income Tax Subcommittee
of the Minnesota Tax Study Commission

December 7, 1977

I am Karen Anderson, Government Chair of the League of Women Voters of Minnesota (LWVMN). The LWVMN appreciates the opportunity to testify before you in order to present our position on state income taxes, which is a part of a new LWVMN position on financing state government.

I'd like to give you a brief explanation of how the position was formed. There are about 4,500 members in 69 Leagues throughout Minnesota. At the 1975 state Convention, League members adopted a study of financing state government. Members of a state committee then spent a year and a half doing research on Minnesota taxation and expenditures and producing a series of papers on governmental financing in Minnesota. Copies of the papers were distributed to legislators, public officials and business and community groups throughout the state as part of a public education project. Leagues also used workshops and a variety of speakers to familiarize themselves with the subject. Earlier this year, League members participated in small discussion groups where they made their wishes known on subjects relating to state taxation and expenditures.

The resulting position statement, arrived at in these discussion groups, addresses the major taxes as well as some areas of state expenditures. The Minnesota income tax is a pivotal part of this position. League members did not support major changes in any other state taxes; they agreed that the income tax should be the flexible state tax, adapted to reflect economic conditions and state needs.

Generally, League members favor an equitable and flexible system of taxation, using the income tax as the elastic tax. We support more progressive rates when there is a need for increased state revenues and a decrease in rates when there is a budget surplus. We'd prefer this to be an across-the-board rate decrease, with some relief for all taxpayers. Besides the preference for using the income tax for flexibility, we support income tax exemptions being retained as they are now, not expanded to provide relief to certain segments of taxpayers, or removed. We also support retaining deductibility of federal income taxes as a feature of the Minnesota income tax.

While League members support a continuation of support for most state services, there is some concern about the continued budget surplus the state has been experiencing. League members oppose a general tax refund and would prefer that the money not be collected at all, by a reduction of income tax rates.



**LEAGUE OF WOMEN VOTERS
OF MINNESOTA**
PHONE (612) 224-5445
555 WABASHA • ST PAUL, MINNESOTA 55102

news release

For more information contact:

Karen Anderson (935-2445)

Sept. '77

Following a two-year study of state tax revenues and expenditures, the League of Women Voters of Minnesota (LWVMN) announced today its support of an equitable and flexible system of taxation for the state of Minnesota.

The position includes support of a flexible Minnesota multi-tax system, with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short and decreased taxation when there is a budget surplus. LWVMN favors the use of the Minnesota individual income tax as the elastic tax, making rates more progressive when increasing state revenue and lowering rates for all income levels when decreasing state revenues. The organization also advocates state relief for property taxes, as well as property tax reform.

The League of Women voters of Minnesota strongly supports: the setting of priorities in allocating state funds; state aids to local governments, especially to local school districts and to the local governmental unit (city and/or county) that provides the major portion of local services; and more efficient state administrative and legislative expenditures.

When taxation is increased to provide additional revenue, LWVMN specifically supports more progressive individual income tax rates, with exemptions retained at the 1977 level, and opposes an across-the-board increase in income tax rates. It also favors retaining deductibility of federal income taxes as a feature of the Minnesota income tax. LWVMN supports retaining the homestead credit and senior citizen freeze credit as forms of state relief for property taxes, as well as the income-adjusted homestead credit (circuit-breaker). It advocates the retention of the Minnesota corporate excise tax with no increase in rate. The organization supports retaining exemptions to the sales tax, while increasing the sales tax on cigarettes, tobacco and alcoholic beverages.

When measures are taken to decrease taxation, LWVMN supports a decrease in individual income tax rates and opposes an increase in individual income tax exemptions or a general tax refund. It also supports an increase in the homestead credit as a form of state relief for property taxes and favors retaining the 4% sales tax with no increase in exemptions.

When cuts in state spending are necessary, LWVMN advocates cuts in spending for general state government, the governor's office and related agencies and the legislative branch. It opposes cuts in state aid to local governments, especially local school districts, and in state spending for natural resources, corrections, higher education and agriculture.

When increases in state spending are proposed, LWVMN supports setting priorities for state spending rather than making a percentage increase in all areas of state funding. It particularly supports increasing aid to local school districts and for mass transportation which will benefit the entire state. LWVMN opposes increases in spending for general state government, the governor's office and related agencies or the legislative branch; it also opposes increases in spending for public retirement benefits.

The League of Women Voters of Minnesota, which recently published a series of four reports on financing state government, will lobby at the State Legislature in support of its position.

KSJN - Neil St. Anthony (Ula Mary Shafer)

WUTC - Bob Berglund



FINANCING STATE GOVERNMENT

POSITION STATEMENT

Support of an equitable and flexible system of taxation. (LWVUS Principles) Support of a flexible Minnesota multi-tax system with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short and decreased taxation when there is a budget surplus. Support of using the Minnesota individual income tax as the elastic tax, making rates more progressive when increasing state revenue and lowering rates for all income levels when decreasing state revenues. Support of state relief for property taxes. (LWVMN 1977) Support of property tax reform. (LWVMN 1967)

Strong support for setting priorities in allocating state funds. Strong support of state aids to local governments, especially to local school districts and to the local governmental unit that provides the major portion of local services (county and/or city). Strong support of more efficient state administrative and legislative expenditures. (LWVMN 1977)

POSITIONS

- . When taxation is increased to provide additional revenue, we:
 - support retaining exemptions to the sales tax; support sales tax increases on cigarettes and tobacco and alcoholic beverages; do not agree on a general raise in sales tax rates.
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- . When measures are taken to decrease taxation, we:
 - support retaining the 4% Minnesota sales tax with no increase in exemptions.
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 - do not agree on decreasing the corporate excise tax rate.
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- . When cuts in state spending are necessary, we:
 - support cuts in spending for general state government, governor and related agencies, and the legislative branch.
 - oppose cuts in state aid to local governments, especially local school districts.
 - oppose cuts in state spending for natural resources, corrections, higher education and agriculture.
- . When increases in state spending are proposed, we support setting priorities for state spending rather than a percentage increase in all areas of state funding. We:
 - support an increase in state aids to local school districts.
 - oppose increases in spending for general state government, governor and related agencies, and the legislative branch; oppose increases in spending for public retirement benefits.

support increases for mass transportation of benefit to the entire state.

FINANCING STATE GOVERNMENT

POSITION STATEMENT

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Strong support for setting priorities in allocating state funds. Strong support of state aids to local governments, especially to local school districts and to the local governmental unit that provides the major portion of local services (county and/or city). Strong support of more efficient state administrative and legislative expenditures. (LWVMN 1977)

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 - support retaining the Minnesota corporate excise tax with no increase in rate; do not agree on changing the corporate tax to a progressive rate.
 - support retaining the homestead credit and senior citizen freeze credit as forms of state relief for property taxes; support retaining the income-adjusted homestead credit (circuit-breaker).
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 - support retaining the 4% Minnesota sales tax with no increase in exemptions.
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 - do not agree on decreasing the corporate excise tax rate.
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- . When cuts in state spending are necessary, we:
 - support cuts in spending for general state government, governor and related agencies, and the legislative branch.
 - oppose cuts in state aid to local governments, especially local school districts.
 - oppose cuts in state spending for natural resources, corrections, higher education and agriculture.
- . When increases in state spending are proposed, we support setting priorities for state spending rather than a percentage increase in all areas of state funding. We:
 - support an increase in state aids to local school districts.
 - oppose increases in spending for general state government, governor and related agencies, and the legislative branch; oppose increases in spending for public retirement benefits.
 - support increases for mass transportation of benefit to the entire state.

Filed

To: The Honorable Governor Al Quie
Members of the House and Senate
From: Harriette Burkhalter, President
Jean Tews, Action Chair
Erica Buffington, Government Co-chair
Date: January 14, 1981
Re: LWVMN Financing State Government Positions

Tax issues will be central to the work of the Legislature this session. The League of Women Voters of Minnesota wants you to know what its members recommend as state policies for times when funds are short. We will, of course, respond to specific legislation as it is introduced.

The League of Women Voters of Minnesota has local Leagues in every Minnesota Senate District and in most House districts. League members STUDY - ADOPT POSITIONS - TAKE ACTION.

The League has studied FINANCING GOVERNMENT IN MINNESOTA and has the following positions:

We support a flexible Minnesota multi-tax system with emphasis on maintaining state services through a combination of spending cuts and increased taxation when state funds are short.

We support using the Minnesota individual income tax as the elastic tax making rates more progressive when there is a need to increase state revenue.

Specifically, the League of Women Voters of Minnesota:

- supports a sales tax increase on only cigarettes, tobacco, and alcoholic beverages;
- supports retaining present exemptions to the sales tax;
- supports progressive income tax rates (opposes across-the-board increase in tax rates);
- supports cuts in spending for general state government, governor and related agencies, and the legislative branch;
- opposes cuts in state aid to local governments, especially local school districts;
- opposes cuts in state spending for natural resources, corrections, higher education, and agriculture;
- opposes increased dependence on the property tax.

We will speak to these positions in the 1981 legislative session.

To: Members of House Committee on Taxes
From: Helene Borg, President; Pam Berkwitz, Action Chair; Karen Anderson,
Government Co-Chair
Date: March 8, 1978

The League of Women Voters of Minnesota urges you to adopt the reduction in income tax rates covered in HF 2250.

The League has over 4,000 members representing every Senatorial district in Minnesota. The members have studied and discussed expenditures and taxation in the state and concluded that the Minnesota individual income tax should be used as the elastic tax, adapted to reflect economic conditions and state needs.

When there is a budget surplus, and an opportunity for reduced taxation, League members strongly support a reduction in income tax rates. Instead of returning the excess as a rebate, or providing reductions for just some segments of taxpayers, League prefers an across-the-board rate reduction. We support the Governor's proposal of rate reductions because it clearly provides across-the-board relief. The implications of other proposals are unclear. We oppose extensions of exemptions or credits as a means of providing reductions unless they are used to correct inequities in the present tax. Therefore, the League urges you to adopt a reduction of income tax rates.

Testimony given to
the Taxes and Tax Laws Committee
Minnesota Senate

March 6, 1978

I am Karen Anderson, Government Chair of the League of Women Voters of Minnesota. The League appreciates this opportunity to present its views on proposed changes in the Minnesota tax structure.

The League has over 4,000 members representing every Senatorial district in Minnesota. The members have studied and discussed expenditures and taxation in the state and concluded that the Minnesota individual income tax should be used as the elastic tax, adapted to reflect economic conditions and state needs. Therefore, I'll restrict my comments to the proposed changes in the income tax.

When there is a budget surplus, and an opportunity for reduced taxation, League members strongly support a reduction in income tax rates. Instead of returning the excess as a rebate, or providing reductions for just some segments of taxpayers, League prefers an across-the-board rate reduction. We support the Governor's proposal of rate reductions because it clearly provides across-the-board relief. The implications of other proposals are unclear. We oppose extensions of exemptions or credits as a means of providing reductions unless they are used to correct inequities in the present tax. Therefore, the League urges you to adopt a reduction of income tax rates.

To: Minnesota Legislators
From: Pam Berkwitz, Action Chair; Karen Anderson, Government Chair; Betty Shaw, Education Chair
Date: March 17, 1978

The League of Women Voters of Minnesota (LWVMN) is concerned about the content of two major bills which you will soon be considering. LWVMN urges you to support measures to cut income tax rates and also to support school aid proposals to retain 3½-year averaging and stabilization of the grandfather levy. Both issues have changed form frequently. We hope you will support each on its own merits and as part of total legislative budget considerations.

Tax reduction proposals now deal with various methods of increasing tax credits. The implications of increasing credits are unclear; they appear to benefit just some groups of taxpayers at the expense of others. LWVMN supports a cut in income tax rates, because rate cuts clearly and simply benefit all taxpayers in the state.

Proposals for the School Aids bill were very different in the House (HF 1885) and Senate (SF 1781) bills. LWVMN supports retaining 3½-year averaging (House version of the bill) and stabilization of the grandfather levy (Senate version of the bill) in recognizing the financial needs of districts with declining enrollment.

The LWVMN supports both increased school aids and a cut in tax rates because:

- . Finance Department estimates of the surplus have been conservative in the past;
- . estimates for increases in school aids are somewhat high, since they do not account for the fact that the assessed valuation of property increases each year, thereby generating more locally raised revenue from the 27 mill limit school districts levy;
- . estimates for decreased revenues due to tax cuts are high because implications of proposed credits are unclear.

LWVMN hopes that both of these issues will be given proper and adequate consideration in the next few days and that neither tax cuts nor school aids will suffer in the scurry to end the legislative session.

Memo to Minnesota House Committee on Taxes

Date: March 9, 1978

The League of Women Voters of Minnesota continues to support a reduction of income tax rates because it clearly benefits all taxpayers in the state.

We question the implications of other proposals introduced this morning. Will they, in fact, benefit those groups of people they're meant to benefit? Will the public understand who is benefiting? Will those who are meant to receive the benefits understand the complicated processes necessary to receive the benefits?

The League is pleased that you're attempting to address the budget surplus with some means of tax relief. We hope that it will be done in a way that is as simple as possible and will benefit as many as possible of those who contributed to the budget surplus.

Testimony given to
the Income Tax Subcommittee
of the Minnesota Tax Study Commission

December 7, 1977

I am Karen Anderson, Government Chair of the League of Women Voters of Minnesota (LWVMN). The LWVMN appreciates the opportunity to testify before you in order to present our position on state income taxes, which is a part of a new LWVMN position on financing state government.

I'd like to give you a brief explanation of how the position was formed. There are about 4,500 members in 69 Leagues throughout Minnesota. At the 1975 state Convention, League members adopted a study of financing state government. Members of a state committee then spent a year and a half doing research on Minnesota taxation and expenditures and producing a series of papers on governmental financing in Minnesota. Copies of the papers were distributed to legislators, public officials and business and community groups throughout the state as part of a public education project. Leagues also used workshops and a variety of speakers to familiarize themselves with the subject. Earlier this year, League members participated in small discussion groups where they made their wishes known on subjects relating to state taxation and expenditures.

The resulting position statement, arrived at in these discussion groups, addresses the major taxes as well as some areas of state expenditures. The Minnesota income tax is a pivotal part of this position. League members did not support major changes in any other state taxes; they agreed that the income tax should be the flexible state tax, adapted to reflect economic conditions and state needs.

Generally, League members favor an equitable and flexible system of taxation, using the income tax as the elastic tax. We support more progressive rates when there is a need for increased state revenues and a decrease in rates when there is a budget surplus. We'd prefer this to be an across-the-board rate decrease, with some relief for all taxpayers. Besides the preference for using the income tax for flexibility, we support income tax exemptions being retained as they are now, not expanded to provide relief to certain segments of taxpayers, or removed. We also support retaining deductibility of federal income taxes as a feature of the Minnesota income tax.

While League members support a continuation of support for most state services, there is some concern about the continued budget surplus the state has been experiencing. League members oppose a general tax refund and would prefer that the money not be collected at all, by a reduction of income tax rates.



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA • ST. PAUL, MINNESOTA 55102 • TELEPHONE (612) 224-5445

September 7, 1978

The Honorable Bill McCutcheon
29 Capitol
St. Paul, MN 55155

Dear Senator McCutcheon:

The League of Women Voters of Minnesota would like to comment on your tax shift proposal presented at the June 15th meeting of the Senate Committee on Taxes. We commend you for presenting the proposal to the public for comments and suggestions before writing it into bill form.

League positions relating to your proposal have been established through our studies of property tax reform, funding of education and financing state government. The League has long supported less dependence on the property tax as a source of revenue. Minnesota Legislatures have gradually been moving in this direction, and the League continues to support this movement.

We also support increased state funding of basic education and welfare costs; however, we have some concerns regarding these specific proposals. We believe that public services of broader than local significance, such as welfare, are less appropriately financed by the property tax. Your proposal would provide for uniform state-wide payment levels for general assistance programs. Our concern is that assistance levels not be reduced below present levels. We believe education is appropriately financed partly by the property tax (to maintain local control) and partly by revenue from other sources. While your proposal involves no actual change in local control, it is important that the proposal be explained in a way to emphasize this.

While the League supports a shift away from the property tax, we are concerned that all the implications of a sudden shift to the sales tax be known before such a move is made. We do support retaining sales tax exemptions regardless of the level of taxation. Though the progressivity of the sales tax can be improved somewhat by the exemptions, the sales tax is still basically a regressive tax. We would prefer that the elasticity of the income tax be used to provide gradual adjustments in property tax levels.

Thank you for your attention to these comments. Enclosed is a copy of our complete financing state government position for your information.

Sincerely,

Karen Anderson, Government Co-Chair

Helene Borg

Helene Borg, President

Karen Anderson

cc: Members of the Senate Committee on Taxes and Tax Laws

To: Members of the Minnesota Legislature
From: Karen Anderson, Government Co-Chairperson
Re: Financing State Government Position
Date: December 15, 1977

After two years of research, study and discussion, the League of Women Voters of Minnesota (LWVMN) has recently arrived at a new position on financing state government. This position represents the attitudes of League members who reside in every senatorial district in the state.

The enclosed position covers major state taxes as well as some areas of state expenditures. On December 7, 1977, the LWVMN delivered testimony to the Income Tax Subcommittee of the Minnesota Tax Study Commission on the income tax portion of the position. You will note that the position supports a decrease in individual income tax rates when measures are taken to decrease state taxation.

The LWVMN will be lobbying at the Legislature in support of its financing state government position statement.

To: Members of the Minnesota Legislature
From: Karen Anderson, Government Co-Chairperson
Re: Financing State Government Position
Date: December 15, 1977

After two years of research, study and discussion, the League of Women Voters of Minnesota (LWVMN) has recently arrived at a new position on financing state government. This position represents the attitudes of League members who reside in every senatorial district in the state.

The enclosed position covers major state taxes as well as some areas of state expenditures. On December 7, 1977, the LWVMN delivered testimony to the Income Tax Subcommittee of the Minnesota Tax Study Commission on the income tax portion of the position. You will note that the position supports a decrease in individual income tax rates when measures are taken to decrease state taxation.

The LWVMN will be lobbying at the Legislature in support of its financing state government position statement.

The Honorable Rudy Perpich
Governor of the State of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Perpich:

After two years of research, study and discussion, the League of Women Voters of Minnesota (LWVMN) has recently arrived at a new position on financing state government. This position represents the attitudes of League members who reside in every senatorial district in the state.

The enclosed position covers major state taxes as well as some areas of state expenditures. On December 7, 1977, the LWVMN delivered testimony to the Income Tax Subcommittee of the Minnesota Tax Study Commission on the income tax portion of the position. You will note that the position supports a decrease in individual income tax rates when measures are taken to decrease state taxation.

We are pleased to see that your staff made a similar recommendation to the Income Tax Subcommittee on October 12, 1977. In view of the state budget surplus, we support such a recommendation.

The LWVMN will be lobbying at the Legislature in support of its financing state government position statement.

Sincerely,

Karen Anderson
Government Co-Chairperson

A:M
Enclosure



LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 Wabasha Street, St. Paul, Minn. 55102 - 612/224-5445

November 23, 1977

Kathy Gaylord, Executive Assistant
MN Tax Study Commission
B46, State Capitol
St. Paul, MN 55155

Dear Ms. Gaylord,

Thank you for arranging for the League of Women Voters of Minnesota (LWVMN) to testify before the Income Tax Subcommittee of the Tax Study Commission.

Enclosed is a copy of the LWVMN position on Financing State Government. I will give the Subcommittee a brief background of the LWV study and concentrate on the income tax provisions of the position.

Please let me know when the Subcommittee meeting date is finalized.

Sincerely,

Karen Anderson, Government Chair
League of Women Voters of Minnesota

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To: Members of the Joint Committee on the Omnibus Tax Bill
Senators Nicholas Coleman, George Conzemius, William McCutcheon,
Alec Olson, A.J. Perpich
Representatives Irvin Anderson, Frank DeGroat, Carl Johnson,
Raymond Pavlak, Martin Sabo
From: Mary Ann McCoy, President, League of Women Voters of Minnesota
Re: Omnibus Tax Bill

May 15, 1973

The League of Women Voters of Minnesota urges you to retain in the final omnibus tax bill the House version of the severed mineral rights taxing provision that will direct 20% of these revenues to be used for Indian economic development.

Our organization has long stressed the goal that Minnesota acknowledge a responsibility for its Indian citizens. Having a revolving loan fund available for economic development is a most useful and practical implementation of state concern. Since taxing the severed mineral rights will be a totally new source of revenue, now is the time to set a portion of it aside for our Indian citizens.



Testimony Presented To The
House Tax Committee
on Taxation of Exempt Property
By Mrs. O. J. Janski, State President
League of Women Voters of Minnesota
March 18, 1971 - 7:30 p.m., Room 123

I am Irene Janski, State President of the League of Women Voters of Minnesota. The League is an organization of approximately 5600 members organized into local Leagues in 70 communities in the state.

A number of years ago the League - 1965-67 to be exact, made a broad study of financing government in Minnesota. The study included the advantages and disadvantages of the 3 major taxes - property, income and sales. Since 1967 the focus of our members' interest has been in the property tax with emphasis on exemptions, classifications and assessments.

Tonight, I wish to speak particularly about exemptions. In the November 1970 election the voters of Minnesota approved a constitutional amendment on tax exempt property by an overwhelming margin. You will recall that this amendment relates to Article IX, Section 1, Providing for Classes and Treatment of Property Exempt from Taxes. The Amendment adds the following words:

"The legislature may by law define or limit the property exempt under this section, other than churches, houses of worship, and property solely used for educational purposes by academies, colleges, universities and seminaries of learning."

The League of Women Voters worked very hard for the passage of this amendment; we printed and distributed thousands of brochures, made speeches and provided information throughout the state. We thought it was a good amendment - a beginning -; it was time too, to do something to stop the

increase in tax exempt property in Minnesota. Between 1962-1968 the value of tax exempt property in Minnesota had increased to over 3 times what it was in 1962. In some communities as little as 1/5 of the property is taxable.

The unequal impact of exemptions on individual local governments coupled with the increases in the costs of providing local services makes the League question the equity of these subsidies. League members believe the present system of exemptions is inequitable and places an undue burden on all other property owners.

We believe the criteria for determining property tax exemption should be more restrictive. Property that is profit-making or in competition with private taxpaying enterprises should be taxed regardless of ownership. There should be periodic reconsideration of each exemption; we also believe that owners of exempt property should pay enough taxes, or a charge in lieu of taxes, to cover the costs of local services.

Now, Mr. Chairman and members of the Committee, as members of the legislature you have the approval of the voters of Minnesota to enact legislation to restrict the amount of tax exempt property and to eliminate many inequitable situations. We urge you to carry out the intent of the recently passed amendment.

Thank you.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

STATEMENT TO THE HOUSE-SENATE TAX SUB-COMMITTEE AND
THE HOUSE METROPOLITAN AND URBAN AFFAIRS SUB-COMMITTEE ON FISCAL DISPARITIES

November 6, 1970

I am Mrs. O. J. Janski, President of the League of Women Voters of Minnesota, an organization with 70 local Leagues throughout Minnesota, and approximately 5800 members.

In 1965 the League of Women Voters began a broad study of financing state and local governments in Minnesota, focusing particularly on the property tax. As a result of this study, we support property tax reform through equitable assessments, fewer classifications, and more restrictive criteria for determining exemptions. Furthermore, we concur with the main thrust of the Citizen's League recommendations that there should be less dependence on the property tax as a source of revenue.

The League believes that dependence on the property tax should be diminished because this tax does not necessarily reflect ability to pay and equitable administration is difficult. Those services which are essentially local in character such as local police and fire protection, local streets, local parks, and local sewers are the services most appropriately financed by the property tax. Services of broader than local significance are less appropriately financed by the property tax.

We are presently conducting a study on the role of the state in creating and financing equal educational opportunities for all Minnesota children. Some of the questions we are focusing on this year are:

What factors should be considered in distributing state aids to public schools? What changes, if any, should be made in the foundation aid formula? What changes should be made in transportation aids? Should there be a school district levy limitation? We expect that the results of this study will be ready in March of 1971.

In addition our Council of Metropolitan Area Leagues, composed of 34 Leagues throughout the Twin Cities seven-county metropolitan area, are studying fiscal disparities among the metropolitan units of government to determine which fiscal resources should be shared and for what purposes and services. We will be able to bring you the results of this study after the first of the year.

? We recognize that because of the amount of revenue it produces, there is no question that property taxes must be used to finance local government services for some time to come. We also think it is important to maintain local control, particularly of education, by financing it partly through the property tax. Within this framework, we will be working with you to improve the equity of the property tax and to reduce dependence by all levels of government on the property tax as a source of revenue.

Thank you.

League of Women Voters of Minnesota, 555 Wabasha St., St. Paul, Minn. 55102
April 1970

TO: The Governor's Advisory Committee to study Property Tax in Minnesota

FROM: The state Board of the League of Women Voters of Minnesota

RE: Position of the League of Women Voters on the Property Tax

STATEMENT ON PROPERTY TAX

In 1965 the League of Women Voters of Minnesota began a broad study of financing state and local governments in Minnesota. We compared the advantages and disadvantages of the three major taxes - property, income and sales. In 1967 members chose to study the property tax, with emphasis on exemptions, classification, and assessments. Over 5500 League members in 68 communities have participated in the tax study. Agreement on property tax reform was reached by League members in April 1968. Our position supports property tax reform through equitable assessments, fewer classifications and more restrictive criteria for determining exemptions. We also believe that there should be less dependence on the property tax as a source of revenue.

ASSESSMENTS League members feel that fair and uniform assessments should be a first step toward a more equitable administration of property taxes. In Minnesota most assessors are part-time officials. Many rural areas are assessed by low-paid, part-time assessors with little training, while the metropolitan area has better trained, full-time assessors but not enough of them to reappraise as often as necessary. The League supports equitable assessments by professionally trained, adequately paid assessors with districts large enough to warrant their full-time employment. Periodic reappraisals should be mandatory.

If the property tax is to be equitably applied to all property owners, it is imperative that assessment standards be uniform throughout the state. For this reason, we believe the state should be responsible for achieving uniform standards for assessment. Industrial property is particularly difficult to assess since it may be suitable for only a limited number of uses and is seldom sold. To provide both expertise and uniformity, the state should assess industrial property. Less training of local assessors would be needed if they were not required to assess industrial property.

The League supports a law passed by the 1969 Legislature establishing a true county assessor system. We believe that counties which now have low-paid, part-time assessors should utilize this new law.

CLASSIFICATIONS No other state has as complicated a classification system as Minnesota. There are approximately 20 different classes and subclasses of property which are assessed at various percentages ranging from 5% to 50% of adjusted market value. Groups that get a special class and receive tax relief shift the tax burden to everyone else. The League feels that this is not an equitable taxing system -- there should be fewer classes of property for taxing purposes -- certainly no new ones. Perhaps some types of property deserve special treatment, but other methods of providing it may be preferable and should be considered.

EXEMPTIONS The rapid increase in tax exempt property in Minnesota (tripling in the 6 years from 1962-1968) has caused considerable concern. In some communities the amount of tax exempt property is as high as 80%. The unequal impact of exemptions on individual local governments coupled with the increased costs of local services causes the League to question the equity of these subsidies. League members feel that the present system of exemptions is inequitable and places an undue burden on all other property owners. We believe the criteria for determining property tax exemption should be more restrictive. Property that is profit-making or in competition with private tax paying enterprises should be taxed regardless of ownership. There should be periodic reconsideration of each exemption and owners of exempt property should pay enough taxes, or a charge in lieu of taxes, to cover the costs of local services. Tax exemptions as socio-economic incentives such as those for pollution control equipment or for renovation of older homes and slums should be used sparingly and for a limited time in each case.

The League supports passage of the constitutional amendment which would allow the legislature to define or limit property exempted from taxation.

LESS DEPENDENCE ON PROPERTY TAXES The League believes that dependence on the property tax should be diminished because this tax does not necessarily reflect ability to pay and equitable administration is difficult. Those services which are essentially local in character such as local police and fire protection, local streets, local parks, and local sewers are the services most appropriately financed by the property tax. Education is appropriately financed partly by the property tax and partly by revenue from other sources.

League of Women Voters of Minnesota, 555 Wabasha Street, St. Paul, Minnesota 55101
April 1969

Testimony as given by Mrs. Harold Nash to the Senate Tax
Committee concerning tax exempt property
April 21, 1969

My name is Mrs. Harold Nash. I represent the League of Women Voters of Minnesota with 5800 members in 68 communities throughout the state. During the past four years League members have been studying how governments in Minnesota are financed, the major taxes involved, and the property tax in particular.

The equity of the property tax depends to a large degree on how equitably it is administered. There are several aspects of its administration which lead us to question its equity -- and one is certainly the matter of exempt property. When the tax is levied on only half, or less -- sometimes only one-fifth -- of the property in a community, is it any wonder that citizens are questioning the fairness of this tax? In the last six years the value of tax exempt property in Minnesota has increased more than three times.

Overwhelming numbers of our League members have expressed the opinion that the amount of exempt property must be reduced. We believe the legislature should more clearly define exempt property to help both the courts and assessors in making their decisions. To give you definite unquestioned authority to do this, a constitutional amendment, such as these you are considering, is necessary. The League supports the ideas expressed in each of these bills. S.F. 559 includes the additional authority to levy a charge against exempt property for certain services. The League supports this concept, however to take effect, any amendment must be passed by the voters of the state. We believe S.F. 1939 would have the best chance of passing this hurdle. Therefore we urge its passage. If such an amendment is placed on the ballot, the League will actively work throughout the state for its passage.

Perhaps one of the problems lies in the fact that laws and decisions as to what property shall be exempt are made by the state while the costs are borne locally. Consequently it has been quite painless for legislators and courts to make decisions which greatly increase the amount of exempt property. The unequal impact of such exemptions on individual local governments coupled with the tremendous increases in the costs to government of providing local services has led people to question the equity of these subsidies.

The League of Women Voters of Minnesota believes the criteria for determining property tax exemption should be more restrictive than they are now. We believe property that is profit-making or in competition with private taxpaying businesses should be taxed regardless of ownership. We believe owners of exempt property should pay enough taxes, or a charge in lieu of taxes, to cover the costs of services received and the status of each exemption should be reconsidered at regular intervals.

It is apparent that there are many changes in assessments, classifications, and exemptions that would aid the property tax. No one change alone can cure it, but each could contribute and altogether they could go a long way toward making the property tax a healthy, equitable tax. If you are interested in having a fair, healthy property tax in Minnesota, write to your legislators and let them know that you want these changes made.

(Note to local Leagues: If this is too long you can always leave out one of the 3 areas.)

CONTINUING TIME FOR ACTION

TAX EXEMPT PROPERTY

FILE COPY

TO: ALL LOCAL LEAGUES

During the past month progress has been slow for the exempt property bills. Throughout the next few weeks letters to your legislators (both representatives and senators) and also to your newspaper editor could be most effective. (Rep. Frenzel says letters to the editor get three times more readers than editorials!) You might want to plan a series of letters to the editor from different people over the next month. Both official League letters and letters from individual members will be helpful. Enlist the aid of other interested persons or groups in your community. Whenever possible use examples from your own area—your legislator's own district. Let your legislator know what the situation is and why you think it should be changed. You can urge support of specific bills if you wish, or simply request general support for all of them. If you wrote your representative earlier, be sure to thank him for passing the ones they have (See present status of bills listed below and watch newspapers for later developments) and urge his support of the rest of them. If your legislator is an author of one or more of the bills, let him know you appreciate what he's doing. If he is a member of the House Rules Committee or the Sub-committee of Senate Judiciary listed below, urge him to support the constitutional amendment on exempt property (HF 239 or SF 1939). If your legislators are on either House or Senate Tax Committees, letters to them would be especially helpful.

Please let us know what action you have taken on the enclosed card.

Thank you very much for your support.

Present Status of Bills:

HF 239 (Lindstrom, Chamberlain, R. Johnson, Sabo, Theis)—Constitutional amendment allowing legislature to define or limit exempt property except churches, houses of worship, and property used solely for educational purposes. Passed House Tax Committee and is in House Rules Committee. Companion bill SF 1939 (Wright, Holmquist) was introduced April 7 and sent to Judiciary. An attempt will be made to re-refer it to the Tax Committee.

HF 238 (Chamberlain, Lindstrom, S. Adams, R. Johnson, Theis)—Makes condemned property taxable until the governmental unit actually takes possession. Passed by the House and in the Senate Tax Committee. One hearing has been held.

HF 240 (Lindstrom, Chamberlain, S. Adams, R. Johnson, Theis)—Would tax residences owned by schools, colleges, etc. Passed by the House and in the Senate Tax Committee.

HF 241 (Lindstrom, Chamberlain, S. Adams, R. Johnson, Theis)—The market value of the property leased, after giving consideration to restrictions in the lease, would be established as a basis for valuing taxable leasehold estates at the airport and port authorities. In House Tax Committee—expected to be voted on next week.

HF 493 (Lindstrom, Chamberlain, Theis, Sabo, Scherer)—Would tax property owned by the University or the state if not used for governmental or educational purposes. In House Tax Committee.

HF 494 (Chamberlain, Lindstrom, Theis, R. Johnson, Sabo)—Would tax recreation areas owned by non-profit organizations unless camps are operated exclusively for handicapped or underprivileged individuals. In House Tax Committee.

Senate Judiciary
Sub-committee

Wright, Chairman
Davies
Dosland
Hanson, Rudy
Hughes, Keith
Popham
Rosenmeier

House Rules Committee

Dirlam, Chairman
Adams, S.
Albertson
Anderson, H.
Anderson, T.
Becklin
Christensen, R.
Everson
Fischer, W. C.
~~Fitzsimmons~~
France
Frenzel

Gimpl
Graw
Gustafson, W.
Hegstrom
Johnson, R.
Klaus
Mueller
Renner
Schafer
Schulz
Schumann
Voxland
Wright

House Tax Committee

Anderson, H., Chairman	Johnson, C.M.
France, Vice-Chairman	Johnson, R.
Adams, S.	Lindstrom
Anderson, I.	Mueller
Bares	Newcome
Becklin	Nolan
Chamberlain	Pavlak, R.
Chenoweth	Prifrel
Christianson, M.	Reigel
Everson	Renner
Fisher, D.	Sabo
Graw	Sathre
Gruys	Stangeland
Gustafson, E.	Stone
Hegstrom	Theis
Hoppe	Ticen
Humphrey	White

Senate Tax Committee

Wright, Chairman	LaBrosse
Blatz, Vice-Chairman	Larson, L.
Anderson, E.	Larson, N.
Bergerud	Laufenberger
Coleman	McCarty
Franz	Metcalf
Holmquist	Mosier
Hughes, K.	Parks
Kalina	Perpich, R.
Krieger	Ukkelberg
	Warwick

League of Women Voter of Minnesota, 555 Wabasha St., St. Paul, Minnesota 55101

Testimony as given by Mrs. Harold Nash to the Senate Tax
Committee concerning property tax assessors
March 25, 1969

I am Mrs. Harold Nash and I'm speaking for the 5800 members of the League of Women Voters of Minnesota who live in 68 communities throughout the state. During the past four years League members have been studying how governments in Minnesota are financed, the major taxes involved, and the property tax in particular.

I'm sure you are aware that citizens do not object to taxes nearly as much if they believe they are applied equitably and everyone is paying a fair share. The property tax as presently administered does not usually generate this kind of response. Fair and uniform assessment is the first step toward a more equitable administration of property taxes. Undoubtedly assessors in Minnesota make every effort to provide the best assessment they can, but we have a great many part-time assessors who work a short time each year for very little pay. These people cannot be expected to spend much time being trained and the large number of individuals involved makes uniformity difficult to achieve.

Based on our study, League members overwhelmingly agree that professionally trained, adequately paid, full-time assessors would contribute substantially toward more equitable assessments. Therefore we urge your support of S.F. 1121.

Testimony before the House Committee
on General Legislation and Veterans Affairs
by Martha Head
Lobbyist, League of Women Voters of Minnesota
February 14, 1978 - State Office Building

The League of Women Voters of Minnesota welcomes this opportunity to share with our elected officials some of our concerns regarding elections laws and, particularly, campaign financing. There are two points to which we would like to address our testimony.

1. The League of Women Voters of Minnesota "supports the public's right to comprehensive disclosure of all political campaign contributions and expenditures." (Program for Action 1977-79, State Program.)

We further support that "insofar as possible there be an equalization of opportunity for challengers and incumbents." (Impact on Issues 1976-78, League of Women Voters of the United States.)

This bill has not spoken to the issues of cash on hand, remaining in the incumbent's account as s/he goes into the election year. This is clearly an advantage over the challenger. In many cases, it is April or May of the election year before a challenger decides to seek office. The challenger is limited to raising \$7,500.00 and is starting from zero. The incumbent has brought \$1,000.00 over from the previous year and may still raise an additional \$7,500. This does not include the advantage of money raised and spent on constituent services. Any money carried over to the next year should be counted as part of the contribution limit in the year in which it is carried over. The result of this is the equalization of opportunity for challengers and incumbents. In addition, we urge that the term "constituent services" be defined as strictly as possible and still allow the conscientious legislator the right to communicate with his/her constituents.

2. The LWVMN supports "mandatory, timely, uniform and complete reports of campaign contributions and expenditures made to a central authority responsible for disseminating such information to the public." (Program for Action 1977-79, State Program.)

In order that this continue, we urge you to reinsert Sec. 17, Subd.8.(g) "Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidates"

The citizen needs to have consistently available a list and summary of all statements in order to review the funding and campaign processes.

Thank you for the opportunity to express the concerns of the League of Women Voters and to again reaffirm the League stands in the election law area.

To: All State Legislators
From: Erica Buffington, Government Co-Chair
Re: Areas of LWVMN concern in SF 1006, Registration and Ethical Disclosure Act
Date: February 15, 1978

The problem areas in this bill are in Sections 73, 75 and 77.

Sections 75 and 77 deal with the complicated question: are public tax check-off moneys and the provision of tax credits considered to be forms of public financing. Our League of Women Voters of the United States' position is that both are forms of public financing, and we (LWVMN) support this concept. Therefore, it would be inconsistent to permit candidates to rescind an agreement filed as a prerequisite for the receipt of tax check-off money, but on the other hand, prohibit them from rescinding an agreement filed as a prerequisite for the receipt of tax credit vouchers.

Sections 73 and 77 are of concern because as presently written the incumbent is favored. It would be assumed that non-campaign expenditures are basically constituent services, and since only an incumbent would have constituents, this would be a way of allowing them to use more money to influence the electorate. A non-campaign expenditure could also mean a transfer of funds from one principle campaign committee to another. Both could have the effect of perpetuating "safe districts" where a challenger would never stand a chance of winning.

The LWVMN is primarily interested in seeing a fair campaign financing bill pass this session, and it is hoped that changes in the above-mentioned sections will occur prior to SF 1006's reaching the Governor's desk.

To: All State Legislators
From: Erica Buffington, Government Co-Chair
Re: Capitol Letter, February 1, 1978, SF 1006
Date: February 15, 1978

The information in the February 1, 1978, Capitol Letter concerning SF 1006, Registration and Ethical Disclosures Act, was incomplete, and as a result, the League of Women Voters of Minnesota does not support SF 1006 as it is currently written. When the article for the Capitol Letter was written, I did not have the latest version of SF 1006 that passed the Senate Committee on Elections. Amendments added here and there can make all the difference as far as LWV support is concerned.

Our primary concern is having a campaign financing bill pass this session that meets all the criteria handed down by the 3-judge panel and one that makes our government more accountable, more representative, and more responsive to all of our citizens. Unfortunately, SF 1006 as it is currently written, does not satisfy those concerns. On the following page are some of the problems and concerns that the LWV sees in SF 1006.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, MN 55102 - April 12, 1977

Testimony Before The Elections Subcommittee
of the House Committee on General Legislation and
Veterans Affairs by Martha Head

April 12, 1977 - State Office Building

The League of Women Voters of Minnesota continues to "support the public's right to comprehensive disclosure of all political campaign contributions and expenditures." We are of the opinion that "mandatory, timely, uniform and complete reports of campaign contributions and expenditures should be made to a central authority responsible for disseminating such information to the public." (Program for Action 1975-77, State Program.)

In regard to this position, the League of Women Voters has some serious problems with House File #404.

1. Changing the name of the Ethical Practices Board.
Although the information from candidates continues to go to the same group, changing the name again makes it appear to the citizen that the information is going to a different office. This seems to be unnecessarily confusing to the voter and citizen who has the right to see the information gathered and therefore the right to know where to call to obtain the information.
2. Changing the system of obtaining contribution and expenditure information on candidates seeking public office.
Currently the candidate files the appropriate form with the Ethical Practices Board who then, within 72 hours, gets copies of the form to the appropriate county auditors where the forms are available to the citizen at her convenience. This bill would make this information quite a bit harder to obtain and certainly if time were a consideration, the information would, practically speaking, not be available. This bill directs anyone wanting information to make a request to the appropriate county auditor who must then file a request with the Board who then sends the information to the auditor where the citizen may view it - several days having passed in the meantime.
3. Changing the date when the candidate agrees to "not exceed the expenditure limits" from January 1 of the election year to "the day following the adjournment sine die of the legislature."

This is clearly not the direction which the League of Women Voters wants disclosure of political campaign contributions and expenditures to go. Rather, the League would like to see complete disclosure of all funds raised and disbursed, both during the election and while holding office.

In the past the League has enthusiastically supported the creation and continuation of the Ethical Practices Board. Today, the League of Women Voters of Minnesota reaffirms that support and opposes any legislation which would impede their ability to carry out the duties that the Legislature has in the past had the wisdom to assign to them. The League recognizes that continuity of board membership is aided by an occasional member serving more than one term and consequently would not like to see the opportunity lost to retain a Board member who has served the Board well.

Thank you for the opportunity to express the concerns of the League of Women Voters and to again reaffirm the League stands in the election laws area.

To: Members of the Legislative Advisory Committee: Senator A. Perpich,
Senator N. Arnold, Representative W. Kelly, Representative F. Norton,
Governor W. Anderson

From: Helene Borg, Action Chairman

Re: Ethical Practices Board funding

May 17, 1976

Please accept this written testimony as it was not possible to appear before your committee.

The League of Women Voters of Minnesota began studying campaign practices in 1961. In 1972 we renewed this study at both the state and national levels. We found that to promote an open governmental system that is accountable, it is essential that we have a central authority overseeing campaign financing laws. We have this in our Ethical Practices Board (EPB). This Board must be an independent body, adequately funded and staffed, capable of receiving candidates' reports and capable of relaying this information to the public. This we do not have. The Ethics Commission, now the EPB, has never been funded to do its job since its inception. It is now in dire need with the added current legislative burdens.

In addition to the need for a full time attorney from the Attorney General's office, outside legal help must be available if this is to be an independent body. The Attorney General must file reports with this Board and, at the same time, the EPB is at the mercy of the Attorney General's office for any legal help.

Present funding includes no money for public hearing officers, who are required to hear the pros and cons. Copies of candidates' report forms must be sent to the county auditors within 72 hours. This is a public good, but is not possible with the present small staff. Information is needed on what is available to the public. The present budget does not include informational brochures or travel to explain the public's rights now that we have an EPB. Staff is needed to turn out useful summaries of information. It needs to audit the information that does come in, so it will be able to aid those who must file reports with the Board.

Additional staff requires additional space and equipment to process reports and make them available. The incumbents use the files now, but they should be readily available to others as well. There is a need for security regarding those files, so the EPB should have the capability to microfilm records.

The law establishing the EPB was to help restore people's faith in government. It was a response to the need for full disclosure and a public voice. Many duties were assigned to the EPB, but funds were never provided for it to even get underway. The League of Women Voters urges your approval of the \$147,000 request for additional funding, so the EPB can continue its designated tasks.

file
copy.
local..
Camp..
Financing

Statement of Remarks made to
General Legislation and Veterans Affairs Committee
January 21, 1976 - Room 18, State Office Building

The League of Women Voters of Minnesota has a long-standing interest in campaign financing and most recently supported the creation of the State Ethics Commission in 1974.

The bill before us now dealing with local campaign financing addresses a number of the League concerns advancing the public's right to know: how much money is spent in a campaign, where it comes from, how it is spent and who bears the responsibility for reporting such matters. Therefore, we support the basic thrust of this legislation. We are, however, unable to produce information expressing local Leagues' concerns and experiences in local campaigns. We will be collecting data from throughout the state that may be helpful to this committee if it is not too late. Several Leagues have expressed interest in this bill.

HF 1782 deals with our stated position in support of "mandatory, timely, and uniform" disclosure of contributions and expenditures. The over \$50.00 contribution and over \$100.00 expenditure reporting raises some questions but the League realizes the difficulties facing the committee on setting these figures.

Our next question is about the 20,000 population figure which appears somewhat arbitrary - should it be lowered to include more school districts and municipalities?

The League supports the provision for one "principal campaign committee" acting for the candidate with her full knowledge and approval, placing responsibility where it belongs - on the candidate.

The inclusion of "political committees" under this law follows our basic belief that the public has a right to such information.

The League also supports the penalty provision to ensure compliance.

The League supports, in principal, "reduction of the amount of money spent on campaigns" but at this point would find it difficult to arrive at a suitable formula for determining what that amount should be in diverse local campaigns.

As I stated initially, we support the basic thrust and intent of this legislation. We agree with the Citizens League that we do not "...allege there is substantial, documented corruption of the election process.... The problem asserted, however, is the problem of public confidence in the process..."

Thank you.

Sean Reeves

Sent on League letterhead to the Commission.

Written testimony presented to Minnesota State Ethics Commission,
(by the League of Women Voters of Minnesota)
Room 74, State Office Bldg., St. Paul, Minnesota 55155
prior to 4:30 p.m. on July 22, 1974

As an organization concerned with effective citizen participation in the democratic process, the League of Women Voters of Minnesota has been supporting reform of the state's campaign financing legislation since 1961. The League lobbied for the passage of the State Ethics Act of 1974 which created this Ethics Commission and has a continuing interest in the actions taken by the Commission to enforce the campaign financing provisions of the law.

We commend the members of the Ethics Commission for the excellent job they have done in the Rules and Regulations, Chapter One: EC1-EC39. The rules clearly set forth the intent of the law for individuals and groups participating in election campaigns and thoroughly define the responsibilities of the candidate and political committees.

One of the strongest points of these rules is their provision for full disclosure of campaign contributions and expenditures at timely intervals as set forth by the law. We hope these reports will be made easily accessible to the public so that the voters can scrutinize the reports to satisfy their right to know where a candidate's money is coming from and for what purpose it is being used.

The League's concern now is that the public be made aware of the provisions of the law and the procedure for filing complaints if a violation is suspected. We hope to be able to work with other groups in a public awareness campaign of this nature.

The Minnesota campaign financing and ethics law is a pacesetter for other states and for our federal government. The Ethics Commission will be playing a key role in the effectiveness of this law and has made an excellent beginning in the adoption of rules EC1-EC39. Full public disclosure and fair and prompt disposition of complaints should go far toward restoring confidence in the political process.

704.

LEAGUE OF WOMEN VOTERS OF DELAWARE

719 SHIPLEY STREET

WILMINGTON, DELAWARE 19801

TELEPHONE 655-5381

July 17, 1974

Mrs. Mary Ann McCoy, President
League of Women Voters of Minnesota
2312 Lake Place
Minneapolis, Minnesota 55405

Dear Mrs. McCoy:

copy
and
we'll
bill

We understand from National that you recently saw action on a 10-year-old position when the legislature passed a lobbying disclosure of financial expenditures bill. We are just embarking on a study of the regulation of lobbying and would be interested in knowing something of the work you have done. If it is possible, we would appreciate receiving a copy of the legislation and of your position. Since, obviously, you have been closely associated with this, we would also like to know if you are satisfied with the lobbying law as it stands or would like to see some changes.

I realize that with many Board members probably off on summer vacation, this is a difficult time to answer additional correspondence, but since we are working toward a fall consensus, we must get started now. We will truly appreciate any information you can send us.

Sincerely,

Lucy Helm

Mrs. James Helm, Chrm.
General Assembly Committee

Please reply to: 9 Hempsted Drive
Newark, Delaware 19711

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55101

August 7, 1974

Mrs. James Helm, Chrm.
General Assembly Committee
LWV of Delaware
9 Hempsted Drive
Newark, Delaware 19711

Dear Mrs. Helm:

We are enclosing a copy of our recently passed legislation on campaign financing, taken from the Journal of the House of Representatives, March 27, 1974, date of its final passage. We are taking it from the Journal since the cost of a copy from the Documents Dept. is \$20. We would appreciate reimbursement of \$1 for cost of our xeroxing.

Our state position which relates to this legislation reads: Election Laws: Support of party designation for legislators. Support of improvements in election laws regulating campaign practices, election procedures, voting and school district elections. Amplification of this position is also enclosed copied from our Program for Action, 1973-75 State Program. Extensive lobbying took place during the 1974 legislative session by League State Board and committee members. Since this fall will be the first test of the bill, we have not yet had time to assess its value.

Good luck with your study.

Sincerely,

Katherine Merriam

Katherine Merriam
Action Clerk

Enc.



AUG 19 1974

LEAGUE OF WOMEN VOTERS OF DELAWARE

719 SHIPLEY STREET

WILMINGTON, DELAWARE 19801

TELEPHONE 655-5381

August 13, 1974

Ms. Katherine Merriam, Action Clerk
LWV of Minnesota
555 Wabasha St.
St. Paul, Minnesota 55101

Dear Ms. Merriam:

Thank you for sending us a copy of your H F No. 951. The section dealing with lobbying should be most helpful in our current study.

We already have positions on conflict of interest and campaign finance regulation, and this past year worked for the passage of Delaware's first campaign finance law. This law is not as restrictive as yours, and many improvements are needed. However, one of our greatest disappointments is the lack of a bi-partisan enforcement commission. While we worked hard for this, it was not possible to get it through the Legislature this year. Of course, we will persevere, and having the requirements of your State Ethics Commission as set forth in the bill will be helpful to us.

I have forwarded your invoice for the cost of xeroxing to our Treasurer. Reimbursement should come directly from her.

Thank you again.

Sincerely,



Mrs. James Helm, Chrm.
General Assembly Committee

FILE COPY

ACTION ON CAMPAIGN FINANCING IN 1974 SESSION

A telephone time for action went out from the State Office in late January 1974 on the Ethics Bill (HF 951, SF 1005) to all action chairman of local Leagues in the metro area. House members were called first - late January; then Senate March 4-5 when their turn came to vote. Points stressed on the bill were the \$1 checkoff, tax credit, form of appointment of Ethics Commission, limits for disclosure.

Katherine Merriam
Action Clerk
March 26, 1974

Memo: To all League Members
 From: Marie Sellers, State Lobbyist LMR
 Re: House File 951 Campaign Financing
 (formerly SF 1005)

House File 951 will be heard in Finance Committee Monday, March 4, and will probably be presented on the Senate Floor Wednesday, March 6, 1974

① HF 951 has been weakened by Amendments in Senate Committees notably:

Public Funding has been removed by deleting the \$1 check-off.

② The LMR believes the Ethics Commission would be more visible and effective if its members were appointed by the Governor and approved by the Senate.

③ The public and public oriented organizations demand a strong bill providing for full disclosure. Call your Senator how to urge him to pass a strong bill.

Disclosure Range \$25-\$50

For Cathy Merriman

cues to key LHV

1. The first cue is the presence of a large, dark, irregularly shaped mass in the center of the field of view. This mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter. The mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter.

2. The second cue is the presence of a large, dark, irregularly shaped mass in the center of the field of view. This mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter. The mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter.

3. The third cue is the presence of a large, dark, irregularly shaped mass in the center of the field of view. This mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter. The mass is composed of many small, dark, irregularly shaped fragments that are tightly packed together. The mass is surrounded by a thin, dark, irregularly shaped border. The mass is located in the center of the field of view, and its size is approximately 1/2 inch in diameter.

FILE COPY

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To: Members of the Minnesota Senate

From: Elizabeth Ebbott, 1st Vice President, League of Women Voters of Minnesota

Re: Campaign Financing Legislation

March 4, 1974

HF 951 establishes campaign practices which can effectively serve candidates, their supporters and the public at large. The League of Women Voters of Minnesota recognizes the hours of careful consideration this measure is receiving. We commend the authors and the committee members who have sought and heard testimony from citizens, elected officials, former candidates and public interest groups. This diligence is reflected in the progress of this bill to your present action.

The League of Women Voters studies and observations for almost two decades have strengthened our support for certain criteria in effective campaign practices. We agree that HF 951 provides for timely disclosure and reasonable limits of contributors and expenditures, fixes the candidate's responsibility for the practices of his campaign committee, and authorizes an ethics commission for enforcement.

We are committed to public funding as well as private funding and we hope it will be possible to reinstate the tax check-off and keep the tax credit. The League is also committed to realistic limits and effective disclosures of contributions, for example the \$25-50 range for disclosure with enough information so the public can identify the contributor.

We direct your attention to the method of selecting the members of the Ethics Commission. We are aware that the option of having the members selected by the governor, with the approval of the Senate, is a possibility. This method would remove this commission from direct choice by either legislative body while retaining a means of legislative review.

Public confidence and bipartisan support are key factors in sound campaign financing legislation. In the matter of percentage allowed for political party contributions to candidates, we submit that the compromise of 40% that has been suggested may increase bipartisan support for the bill. We commend this to your consideration. This provision would broaden the base of candidate finances by permitting increased participation of political party supporters through their general contribution to their party.

We are looking forward with anticipation to the effect this bill will have on the elections in 1974 and subsequent years, as well as its influence on legislation in other states, we trust that upon discussion and deliberation you will approve of HF 951.



FILE COPY

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To Members of the Senate Judiciary Committee
From Marie Sellers, Lobbyist, League of Women Voters of
Minnesota
Re: Campaign Financing
February 4, 1974

Please note the concern and priority the League of Women
Voters of Minnesota places on campaign financing. (See page
1 of our CAPITOL LETTER for January 30, 1974.)

Enclosed is a copy of an article in the CHRISTIAN SCIENCE
MONITOR, January 30, 1974, concerning the midyear meeting
of the American Bar Association in Houston this week. This
article indicates the ABA shares our concern.



FILE COPY

LEAGUE OF WOMEN VOTERS OF MINNESOTA

555 WABASHA, ST. PAUL, MINNESOTA 55102

To: Members of the Minnesota House of Representatives
From: Mary Ann McCoy, President, League of Women Voters of Minnesota
Re: Campaign Financing Legislation
January 28, 1974

HF 951, as amended January 22nd sets campaign practices which can effectively serve candidates, their supporters, and the public at large. The League of Women Voters of Minnesota recognizes the hours of careful consideration this measure is receiving. We commend the authors and the committee members who have sought and heard testimony from a variety of citizens, elected officials, former candidates, and public interest groups. This diligence is reflected in the progress of this bill leading to your present action.

League of Women Voters studies and observation for almost two decades have strengthened our support for certain criteria in effective campaign practices. We agree that HF 951 provides for timely disclosure of contributions and expenditures, fixes with the candidate responsibility for practices of campaign committee, and facilitates public funding both by tax check-off and by tax credits.

As you consider provisions of HF 951, we wish to direct attention to the method of selecting the members of the Ethics Commission. We are aware that complete selection by the governor (with approval of the senate) is an option that is being discussed. This would remove this commission from direct choice by either legislative body, while retaining a means of legislative review.

Public confidence and bipartisan support are key factors in sound campaign financing legislation. In the matter of percentage allowed for political party contributions to candidates, we submit that the compromise of 40% that has been suggested may increase bipartisan support for the bill. We commend this to your consideration. This provision would broaden the base of candidate finances by permitting increased participation of political party supporters through their general contributions to their party.

In anticipation of the effect it will have on elections in 1974 and subsequent years, we hope that upon discussion and deliberation you will approve HF 951.



League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

November 9m 1973

TO: Leagues with Senators on Government Operations
FROM: Liz Ebbott, Lobbyist, Campaign Financing
RE: Time for Action

During the week of November 19 - 23 the campaign financing bill will be acted upon by the Senate Government Operations Committee. Write/phone your Senator now to let him know the people want legislation passed. (See Update on Campaign Financing sent with the August 1972 Board Memo and Capitol Letter, October 24, 1973.)

The meetings will be Monday, November 19, 8:00-10:00 a.m.; Wednesday, November 21, 8:00-10:00 a.m.; Friday, November 23, 8:00 a.m.-12:00; State Capitol, Room 112. You will find it very interesting to attend. We especially need a full audience on Friday, November 23. Try to come and bring a car full - wear your League buttons.

FILE COPY

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102
October 1973

TIME FOR ACTION

To: New Brighton; St. Paul (Chenoweth, North, McCutcheon);
West Dakota County (Conzemius); Golden Valley (Nelson);
Mankato (Ueland); Minneapolis (Gearty, Mel Hansen, Ogdahl, Stokowski);
Woodbury (Hughes); Mid-Mesabi (A.J. Perpich), Fridley (Schaaf);
St. Cloud (Kleinbaum); Wayzata (Pillsbury); Northern Dakota
County (Stassen); White Bear (Milton)

From: Liz Ebbott, State Action

Re: Campaign Financing

October 1, 1973

This is a selective Time for Action going to Leagues with Senators on the Government Operations Committee. Monday, October 8 the committee will meet to consider SF 1005 the comprehensive campaign financing, ethics and lobby regulation bill. It is important that your Senator knows that the League supports strong, workable campaign financing regulations and would like his support of the bill. It is important that the legislation progress so that it can be passed early in 1974 to be effective in the 1974 campaigns.

For your background on the issues use LWV of Minnesota "Update on Minnesota Campaign Financing Legislation" that was sent in the September Board mailing. A copy of the "Update" has been sent to your Senator. Enclosed is a summary of the bill and a copy of an editorial about it.

A personal visit to discuss campaign financing would be best. Phone calls and letters are also useful.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

Testimony before Governmental Operations Committee, Minnesota Senate,
by Mary Ann McCoy, President, League of Women Voters of Minnesota
on October 8, 1973, 8-10 a.m., Room 112, State Capitol

The League of Women Voters of Minnesota has been supporting reform of the state's campaign financing legislation since 1961. We are joined in this issue now by other citizens groups. Together we urge that strong, workable campaign financing legislation be passed early in the 1974 session so that there may be effective regulation of the 1974 elections.

The bill before you has many features which our members consider important. By authorizing only one primary political committee which must be accountable for all funds, this bill increases candidate responsibility. We support limits on campaign expenditures and the dollar check-off approach to public funding. This bill centralizes authority in a bipartisan commission for regulation and enforcement which is necessary for a meaningful and workable law.

A major concern we have is that this legislation which so directly concerns all legislators, state officials, and political parties not be used as a partisan tool at the expense of the public interest. We favor citizen participation through sound, responsive political parties and party accountability for legislation. Good campaign financing legislation should enhance rather than weaken this concept.

We would also like to point out that the bill speaks only to state-wide and legislative offices. It repeals the current law that has limits and reporting requirements for all elections in the state. We question the wisdom in removing legal restraints in these other elections. Can provisions in the present campaign practices law covering other elections be encompassed by the new law?

As an organization of members concerned with effective citizen participation in the democratic process of government, we submit these comments. Furthermore, we point out that no matter what a citizen's party preference or special interest may be, all citizens have a stake in writing good, enforceable legislation. The public's confidence in its governing process must be restored. Citizens must feel assured that they are represented and that the government speaks for their best interests. Government based on the faith and the support of the people is the real issue. Minnesota needs a good campaign financing law.

FILE COPY

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

November 19, 1973

TO: Hennepin County Leagues, Fridley, Anoka, Blaine, West Dakota County, Northfield,
Hutchinson, Buffalo, Columbia Heights, Chaska

FROM: Liz Ebbott

RE: Action, Campaign Financing

A briefing and lobbyist training session on state campaign financing legislation will be held Tuesday, December 4, 7:00 p.m., Minnesota Church Center, 122 W. Franklin, Minneapolis. This is a joint effort with the Joing Legislative Religious Council, Common Cause, DFL Feminist Caucus, GOP Women for Political Effectiveness and the League.

The need for new laws, the pending legislation and lobbying techniques will be discussed. Each state legislative district in congressional Districts 3, 5 and parts of 1, 2, 6, and 8 will be organized to lobby this bill. We need a big turnout!

FILE COPY

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102
November 16, 1973

TO: Leagues with Senators on Government Operations

FROM: State Office

RE: Time for Action on Campaign Financing Hearings

Apologies are in order. The dates in the Time for Action you received last week were in error. There will be no more hearings until the second week of December. We will alert you to dates and times so keep your people primed.

FILE COPY

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55108

Memorandum to the Members of the Senate
Government Operations Committee

From: Mary Ann McCoy, State President and
Elizabeth Ebbott, Lobbyist, Campaign Financing

Re: League of Women Voters of Minnesota Analysis
of proposed Minnesota Campaign Financing Legislation

October 2, 1973

We would like to draw your attention to the enclosed League of Women Voters' analysis of Minnesota Campaign Financing legislation. We are urging prompt passage of strong workable legislation which does not seek partisan advantage.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

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TO: Presidents and Action Chairmen - Ramesy County, Mahtomedi Area, St. Croix Valley, Woodbury, Northern Dakota County.

FROM: Liz Ebbott

FILE COPY

RE: Action, Campaign Financing

A briefing and lobbyist training session on state Campaign Financing legislation will be held Tuesday, November 27, 7:00 p.m., Macalester College Chapel, Grand and Snelling, St. Paul. This is a joint effort with the Joint Legislative Religious Council, Common Cause, DFL Feminist Caucus, GOP Women for Political Effectiveness and the League of Women Voters. The need for new laws, the pending legislation, and lobbying techniques will be discussed. Each state legislative district or congressional District 4 and part of District 1 will be organized to lobby this bill. We need a big turnout.

FILE COPY

Mr. Tomlinson, Members of the Committee:

Copies of our testimony on Campaign Financing Legislation are in your hands. We appreciate the opportunity to call your attention to our members continuing concern for enactment of effective campaign financy legislation in our state.

Our research-and-our- among practices in other states, our interviews with elected officials, candidates, and the public in general all bring us to seek changes in our present campaign pactices law that would:

- . . .bring about effective administration and enforcement of disclosure of campaign contributions and expenditures.
- . . .centralize responsibility for such administration in the office of the secretary of state as the chief elections official.
- . . .enforcement could be assigned to attorney general staff assigned to work with the secretary of state
- . . .a citizens ^{Election} ~~elections~~ commission could advise and aid in investigations
- . . .increased public funding through tax check off, a candidate

Many options are presented in bills already introduced, and we commend your committee's consideration of these complex issues. Passage of effective disclosure and enforcement legislation this session is a key part of increasing citizen confidence in the role of money in political campaigns in our state. Legislation can bridge the widening breech between citizens and their government and bring about a workable, enforceable law comprehensible to candidates and their contributors and their constituents alike.

March 22, 1973

FILE COPY

Testimony
by the League of Women Voters of Minnesota
555 Wabasha, St. Paul, Minnesota 55102

Existing laws and practices regarding campaign financing and reporting in Minnesota are a major concern of the League of Women Voters. Secrecy involving the function of money in politics undermines the public's trust in government. There is little doubt that reform of state campaign financing laws is crucial and long overdue.

The failure of the Minnesota Fair Campaign Practices Act to accomplish, to any large degree, either of its major purposes has been widely criticized. The Act's detailed disclosure requirements and limits on total spending apply only to candidates and their personal campaign committees, and create the illusion of control. In Minnesota, the major campaign expenditures are funneled through volunteer committees to which the law permits unlimited spending and requires minimal disclosure.

Because of the inadequacies of volunteer committee reporting, it is virtually impossible for the League, other groups, or interested citizens to obtain a clear picture of campaign financing. These committees report only total receipts and expenditures within 30 days after any election. Administrative officials agree enforcement is ineffective; election officials receive reports, but there is no mechanism to check reports for accuracy or completeness. Because no registration of volunteer committees is required, election officials have no method available to be informed that such committees are in existence.

The League has supported efforts to pass good disclosure legislation since a study made by its members more than a decade ago. In April of 1972 League members agreed to reassess the area of campaign financing to determine whether disclosure alone is adequate regulation.

League members express concern about the escalating costs of campaigns, inequities in the distribution of political funds and the undue influence of large contributions. Our new study and agreement reaffirms the public's right to comprehensive disclosure of all political contributions and expenditures. In addition, we support the judicious use of public resources to finance campaigns and measures to reduce the amount of money spent in campaigns.

The League supports overall limits on campaign expenditures. We recognize the difficulties in setting realistic, flexible limits but feel they are necessary to curb expenditures. League members believe that in many campaigns expenditures are redundant, neither enhancing the candidate's chances of winning nor providing for a more informed citizenry. It is our hope that qualified candidates lacking in personal wealth or affluent friends may be afforded more equal opportunity in seeking public office. Also we hope that with limits on campaign spending, candidates may budget their expenditures and other campaign activities more wisely.

The League supports the use of minimal subsidy or public funding of campaigns. Among the several plans suggested by our members, these were recommended most frequently: a voluntary one dollar tax checkoff on state income tax, free mailings, voter information on all candidates for the same office, increased tax deductions and tax credits.

Because of the interrelationship of problems and solutions in campaign financing we feel that it is appropriate to consider public funding proposals in conjunction with other controls. We are aware that legislators may be reluctant to enact this type of legislation; there are few state laws to look to for experience and advice; unless provisions for such tax-related subsidies are voluntary, legislators may question the public's response to the use of public funds for political purposes.

We encourage the present legislature to be innovative in the tradition of the legislature in 1955 which enacted the \$100 deduction for campaign contributions on state tax returns still in effect today. We anticipate several benefits if some additional form of public funding is adopted in Minnesota. It could assure minimum funding for all candidates for the same office, allowing them to more fully present their views to all voters. Pressure on candidates to accept large gifts from donors who may seek special favors may be reduced. Citizen tax incentives may broaden the base of political contributions.

The League would like to see enacted campaign financing legislation which includes limits on expenditures, some form of public funding and comprehensive disclosure. But we would not object to separate consideration of these three major issues, particularly if that approach would enhance chances of passing effective and enforceable disclosure. It is possible that given experience under effective disclosure, the need for other controls and the direction they should take, would be better established. The League believes that comprehensive disclosure may result in several benefits, it could help control excessively large contributions that may exert undue influence. It will provide voters with additional information about candidates and their supporters enabling them to cast more informed votes. And, it simply removes the mystery about money in elections.

The League believes:

- * Mandatory, timely, uniform and complete reports of campaign contributions and expenditures should be made to a central authority responsible for disseminating such information to the public.
- * Responsibility for reporting contributions to the candidate's campaign and for reporting expenditures by the candidate and those made on the candidate's behalf rests squarely on the candidate.
- * Penalties should be stringent enough to ensure compliance by candidates.

To provide meaningful, enforceable disclosure, the statutes must be well-drafted, the language must be specific, outlining fully the responsibilities of all persons who participate in the disclosure and enforcement process. The League believes that tightly drawn legislation which pinpoints responsibility would make it unnecessary to establish a totally independent agency to administer and enforce disclosure laws.

Because we are aware there is support for an independent agency we have prepared more extensive remarks on that issue. We suggest the following criteria be followed:

- centralized responsibility for achieving uniform election procedures and for training election officials;
- elimination of duplication and overlapping of agencies which result in confusion to citizens, difficulty in coordination of efforts and fragmentation of functions;
- clear lines of authority and responsibility leading to accountability by state executive officials.

These criteria may be met by centralizing administrative and some enforcement functions in the Secretary of State as chief election officer. We cite these reasons in support of this view:

There is no proven need for a major new governmental agency to administer and enforce disclosure. Our present Secretary of State and his predecessors have faithfully executed their elections duties. Rather, problems in the administration of election laws may be attributed to the ineffective, unenforceable statutes and the diffusion of responsibility for administration and supervision of elections among numerous local election officials.

We see no reason to question the capacity of the Secretary of State and his staff to do a trustworthy and complete job. Presently, the Secretary of State executes numerous responsibilities in sensitive areas of our state's electoral process. To this office is assigned a major role in present federal and state campaign financing laws; the Secretary of State receives and serves as the repository for financial statements by federal candidates and their committees. He is the filing officer and his office serves as the repository for disclosure in many state elections. Other responsibilities include the preparation of reporting forms, election manuals and ballots; gathering data on elections. It seems logical that the Secretary of State be entrusted with additional sensitive election matters including more comprehensive disclosure by candidates, lobbyists and governmental officials.

The League believes that it would be very unwise to further fragment the responsibilities for supervision and control of elections. A superior approach would be to expand present duties of the Secretary of State. In addition to giving him new responsibilities for administration and enforcement of disclosure laws, he should have an increased role in the conduct of elections. The office of Secretary of State should have the power and obligation to:

- * issue rules and regulation to local election officials for carrying out registration and voting procedures.
- * develop programs for mandatory uniform training of local election officials.
- * provide citizens with information on candidates, on voting rights and have adequate financing to disseminate the information throughout the state.
- * develop a uniform system for record-keeping and reporting by local election officials.

- * determine the existence of irregularities in elections and initiate enforcement proceedings.
- * determine inequities in costs of conducting local elections throughout the state and provide state financial assistance when necessary.

This broader view of the state's responsibility for election procedures emphasizes our concern for more centralized, effective control of election matters and the need to coordinate election activities, prevent duplication of effort and focus responsibility to achieve greater accountability. Such an expanded role for the Secretary of State as chief election officer would entail new costs for office space, staff and use of computer technologies.

Although we do not object to increased state spending to protect the integrity of the electoral process, we suggest that incorporating new disclosure duties under an existing department is a better and more economical use of state funds than establishing a totally separate agency.

An issue related to this discussion is the possibility that the Secretary of State's office may become appointed by 1978 or that the office could be abolished and its duties assigned to the Lt. Governor. The League supports the appointment of the Secretary of State. Whether this chief elections officer in Minnesota is elected or appointed has no bearing on his or her ability to administer election laws. In either case, with increased and centralized responsibilities the office would have greater visibility, and be more responsive and accountable to citizens.

In addition to administration, we are concerned that there be strong enforcement. Very often ineffective enforcement provisions have been cited as the fatal flaw in election laws. There is wide divergence of opinion on just what enforcement mechanism will work. We would like to share with you some of our concerns and raise some questions.

One approach to enforcement calls for an independent enforcement agency. Proponents of this mechanism feel that political realities make it impossible for government officials and agencies to regulate themselves. But there is evidence refuting this view - where the enforcement responsibility is clearly delegated to a government agency with specific guidelines, adequate financing, and freedom to act, enforcement has been successful. In both California and Maryland, state officials have initiated independent audits of campaign financing disclosures with encouraging results.

Another approach to the problem would be to appoint a citizen review board responsible to the state election department. This concept is supported by those who feel that citizen involvement in the electoral process is desirable and that the public interest must be represented. Opponents feel that such a review board is little more than an empty gesture to placate the populace.

Our research committee on campaign financing has examined the idea of a citizen elections commission which would be somewhere between the two approaches. Perhaps a 5-7 member commission with quasi-judicial responsibilities could receive reports of major violations identified from the investigations by the Secretary of State and receive complaints

directly from candidates and citizens. This could eliminate the possible reluctance of citizens or candidates to bring complaints directly to courts or elected prosecuting officials. The commission could be empowered to issue subpoenas, hold hearings, make determinations, and if there is evidence of wrong-doing, refer the violations to the proper prosecuting authorities. In addition to enforcement of disclosure violations, the commission could advise the Secretary of State in other election matters, initiate independent audits, conduct investigations, research and evaluate present laws and recommend changes to the Secretary of State, Governor and legislature. It could serve at both the call of the Secretary of State and its chairman.

Whether or not a citizen elections commission along these lines is established, the Secretary of State's office should have its own enforcement officer. A member of the Attorney General's staff could be assigned to investigate violations of any election matter and assist in enforcement.

We raise some additional questions on enforcement:

- * who should enforce minor infractions of the disclosure laws and assess penalties?
- * should there be specific fines spelled out in the statutes for minor violations? What violations should be referred to a commission or a prosecuting authority?
- * what violations should be publicized, by what method and at what times?
- * how can timely enforcement be assured? Judgements issued after elections may be of little value.
- * how can spurious, publicity-seeking complaints be avoided or at least be of little consequence? Would this problem be reduced if commission or court proceedings were held in closed session, making the findings public only if they result in convictions?
- * should enforcement be centralized in the Attorney General? The National Municipal League has supported this. They propose that the office of Attorney General be the focus for proceedings against violators and suggest that the Secretary of State work closely with the Attorney General. They believe that laws which leave such enforcement to county prosecuting attorneys are likely to be inefficient. They submit that the Attorney General should prosecute delinquents with or without waiting for complaints from citizens or candidates.

We raise some questions on the size and composition of a citizen elections commission:

- * Size? Some say there are advantages in smaller committees of five to seven. They are easier to administer, can meet on short notice, and are more deliberative. Perhaps Parkinson's "coefficient of inefficiency" is appropriate here. He states that a positive correlation exists between the efficiency of work performed and the number of committee members assigned to perform it; the value of the former declines as the value of the latter rises.
- * Composition? Is there an established need for a large number of

elected government officials on a citizen election commission? Since a major goal is to involve citizens in the electoral process, enhance credibility and provide a fresh and objective viewpoint, a substantial presence of elected officials must be questioned.

- * Title? Is it necessary to use the word "ethics" in the title of the commission? The word may seem to connote wrong-doing. The League sees as major objectives of new disclosure and campaign financing legislation, the promotion of a healthy public view of government and guidance to government officials so that they may understand what is expected of them. We do not accept the view that there is widespread corruption in Minnesota elections. Rather, we see new legislation promoting a better relationship between government and the governed.

We urge the adoption of major reforms in campaign financing legislation now, with continuing commitment to evaluation and strengthening of these important laws.

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

Testimony before the Governmental Operations Subcommittee
on State Board and Commissions of the Minnesota Senate

by Mary Ann McCoy, State President,
League of Women Voters of Minnesota

March 19, 1973 - 2 p.m.

Room 107, State Capitol, St. Paul, Minnesota

The League of Women Voters suggests changes in the proposed legislation known as the Ethics Commission Bill to increase its effectiveness in solving the closely related problems of regulation and disclosure of conflict of interest, lobbying and campaign financing.

We suggest that these criteria be followed:

- centralized responsibility for achieving uniform election procedures and for training election officials;
- elimination of duplication and overlapping of agencies which result in confusion to citizens, difficulty in coordination of efforts and fragmentation of functions;
- clear lines of authority and responsibility leading to accountability by state executive officials.

These criteria may be met by centralizing administrative and some enforcement functions in the Secretary of State as chief election officer. We cite these reasons in support of this view:

There is no proven need for a major new governmental agency to administer and enforce disclosure. Our present Secretary of State and his predecessors have faithfully executed their elections duties. Rather, problems in the administration of election laws may be attributed to the ineffective, unenforceable statutes and the diffusion of responsibility for administration and supervision of elections among numerous local election officials.

We see no reason to question the capacity of the Secretary of State and his staff to do a trustworthy and complete job. Presently, the Secretary of State executes numerous responsibilities in sensitive areas of our state's electoral process. To this office is assigned a major role in present federal and state campaign financing laws; the Secretary of State receives and serves as the repository for financial statements by federal candidates and their committees. He is the filing officer and his office serves as the repository for disclosure in many state elections. Other responsibilities include the preparation of reporting forms, election manuals and ballots; gathering data on elections. It seems logical that the Secretary of State be entrusted with additional sensitive election matters including more comprehensive disclosure by candidates, lobbyists and governmental officials.

The League believes that it would be very unwise to further fragment the responsibilities for supervision and control of elections. A superior approach would be to expand present duties of the Secretary of State. In addition to giving him new responsibilities for administration and enforcement of disclosure laws, he should have an increased role in the conduct of elections. The office of Secretary of State should have the power and obligation to:

- * issue rules and regulation to local election officials for carrying out registration and voting procedures.
- * develop programs for mandatory uniform training of local election officials.
- * provide citizens with information on candidates, on voting rights and have adequate financing to disseminate the information throughout the state.
- * develop a uniform system for record-keeping and reporting by local election officials.

- * determine the existence of irregularities in elections and initiate enforcement proceedings.
- * determine inequities in costs of conducting local elections throughout the state and provide state financial assistance when necessary.

This broader view of the state's responsibility for election procedures emphasizes our concern for more centralized, effective control of election matters and the need to coordinate election activities, prevent duplication of effort and focus responsibility to achieve greater accountability. Such an expanded role for the Secretary of State as chief election officer would entail new costs for office space, staff and use of computer technologies.

Although we do not object to increased state spending to protect the integrity of the electoral process, we suggest that incorporating new disclosure duties as defined in the proposed Ethics Bill under an existing department is a better and more economical use of state funds than establishing a totally separate agency.

In addition to administration, we are concerned that there be strong enforcement. Very often ineffective enforcement provisions have been cited as the fatal flaw in election laws. There is wide divergence of opinion on just what enforcement mechanism will work. We would like to share with you some of our concerns and raise some questions.

One approach to enforcement calls for an independent enforcement agency. Proponents of this mechanism feel that political realities make it impossible for government officials and agencies to regulate themselves. But there is evidence refuting this view - where the enforcement responsibility is clearly delegated to a government agency with specific guidelines, adequate financing, and freedom to act, enforcement has been successful. In both California and Maryland, state officials have initiated independent audits of campaign financing disclosures with encouraging results.

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League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102

Testimony before the Governmental Operations Subcommittee
on State Board and Commissions of the Minnesota Senate

by Mary Ann McCoy, State President

League of Women Voters of Minnesota

March 15, 1973 - 2 p.m.

Room 107, State Capitol, St. Paul, Minnesota

Existing laws and practices regarding campaign financing and reporting in Minnesota are a major concern of the League of Women Voters. Secrecy involving the function of money in politics undermines the public's trust in government. There is little doubt that reform of state campaign financing laws is crucial and long overdue.

The failure of the Minnesota Fair Campaign Practices Act to accomplish, to any large degree, either of its major purposes has been widely criticized. The Act's detailed disclosure requirements and limits on total spending apply only to candidates and their personal campaign committees, and create the illusion of control. In Minnesota, the major campaign expenditures are funneled through volunteer committees to which the law permits unlimited spending and requires minimal disclosure.

Because of the inadequacies of volunteer committee reporting, it is virtually impossible for the League, other groups, or interested citizens to obtain a clear picture of campaign financing. These committees report only total receipts and expenditures within 30 days after any election. Administrative officials agree enforcement is ineffective; election officials receive reports, but there is no mechanism to check reports for accuracy or completeness. Because no registration of volunteer committees is required, election officials have no method available to be informed that such committees are in existence.

The League has supported efforts to pass good disclosure legislation since a study made by its members more than a decade ago. In April of 1972 League members agreed to reassess the area of campaign financing to determine whether disclosure alone is adequate regulation.

League members express concern about the escalating costs of campaigns, inequities in the distribution of political funds and the undue influence of large contributions. Our new study and agreement reaffirms the public's right to comprehensive disclosure of all political contributions and expenditures. In addition, we support the judicious use of public resources to finance campaigns and measures to reduce the amount of money spent in campaigns.

The League supports the tightly-drawn disclosure provisions in the proposed comprehensive state ethics bill. We are particularly pleased that the following features are included:

- * There is centralization of campaign funds in a single campaign committee. This is a major requirement for effective enforcement, as it focuses upon the candidate and the candidate's appointed treasurer responsibility for the accounting and reporting of campaign funds.
- * Detailed and timely reports must be filed. By fully identifying all contributions which in the aggregate total \$100 for the office of governor and \$25 for other offices, it is possible to obtain a balance

between a manageable volume of paper work and setting the disclosure limits so high that major contributions are obscured. Detailed and timely reports should enable voters to cast more informed ballots and may reduce or eliminate unduly large contributions with their implied favors.

- * Campaign treasurers must keep detailed records of all financial transactions and allow their inspection by the State Ethics Commission.
- * The financial statements are to be centralized in the State Ethics Commission and duplicate reports will be filed with local officials. The Ethics Commission will perform functions of major importance in effective enforcement such as identifying clearly all reporting requirements, providing uniform forms and regulations, publishing manuals, investigating reports for completeness and veracity, and conducting audits and reporting violations.
- * Penalties are stringent enough to ensure compliance. Non-complying candidates may be removed from the ballot or be prohibited from taking office. Any person violating provisions of the act is guilty of a gross misdemeanor; this could eliminate the problem of applying sanctions in the case of defeated candidates.

The League supports overall limits on campaign expenditures. We recognize the difficulties in setting realistic, flexible limits but feel they are necessary to curb expenditures. League members believe that in many campaigns expenditures are redundant, neither enhancing the candidate's chances of winning nor providing for a more informed citizenry. It is our hope that qualified candidates lacking in personal wealth or affluent friends may be afforded more equal opportunity in seeking public office. Also we hope that with limits on campaign spending, candidates may budget their expenditures and other campaign activities more wisely.

The League supports the use of minimal subsidy or public funding of campaigns. Among the several plans suggested by our members, these were recommended most frequently: a voluntary one dollar tax checkoff on state income tax, free mailings, voter information on all candidates for the same office, increased tax deductions and tax credits.

Because of the interrelationship of problems and solutions in campaign financing we feel that it is appropriate to consider public funding proposals in conjunction with other controls. We are aware that legislators may be reluctant to enact this type of legislation; there are few state laws to look to for experience and advice; unless provisions for such tax-related subsidies are voluntary, legislators may question the public's response to the use of public funds for political purposes.

We encourage the present legislature to be innovative in the tradition of the legislature in 1955 which enacted the \$100 deduction for campaign contributions on state tax returns still in effect today. We anticipate several benefits if some additional form of public funding is adopted in Minnesota. It could assure minimum funding for all candidates for the same office, allowing them to more fully present their views to all voters. Pressure on candidates to accept large gifts from donors who may seek special favors may be reduced. Citizen tax incentives may broaden the base of political contributions.

We urge the adoption of major reforms in campaign financing legislation now, with continuing commitment to evaluation and strengthening of these important laws.

FILE COPY

League of Women Voters of Minnesota, 555 Wabasha, St. Paul, Minnesota 55102 May 1972

Testimony on Campaign Financing, presented May 19, 1972, before the Joint Committees on Reapportionment and Elections of the Minnesota Legislature by Barbara Steinkamp, Director, League of Women Voters of Minnesota.

I am Barbara Steinkamp, representing the League of Women Voters of Minnesota. The League is pleased that you have called this special meeting to examine the vital issue of campaign financing. And, we thank you for this opportunity to testify in favor of public disclosure of campaign funds.

Although citizens don't hesitate to make unreasonable demands on their elected officials, they fail to support them in financing their campaigns. Too often, candidates are reduced to begging or borrowing campaign funds. Newspaper headlines some day soon may tell us this: "The Minnesota Legislature has gone on strike; the pay is too low; the hours, too long - too indefinite; and the abuse is unremitting." We all have a responsibility to make government work. Citizens, organizations, the broadcast media, and the press all need to take a positive approach toward government. There must be a massive, cooperative effort to attain broadly based citizen financial support for political parties, and candidates.

Richard Harris, in an article in The New Yorker Magazine of August, 1971, in speaking of the lack of confidence in public officials on the national level, states:

"While the American political system is variously attacked and defended within the United States today, there seems to be increasing agreement on one point, those who run the nation are not to be trusted. That point is crucial, for, in order to survive, democracy must have the trust of the governed; without trust there can be no consent, and without consent there can be no democracy." And Harris stresses: "... through the years the most abiding mistrust has been directed at the function of money in the body politic."

The League, in gathering evidence of the problems in campaign financing in Minnesota, has been limited by our present Minnesota campaign disclosure law. We have been unable to obtain a clear picture of campaign financing because reports required by the present statute are not detailed, and we have been told that there is no way of checking on political committees who fail to file reports. The most publicized problem is the high cost of campaigns. Inflation, new techniques, television, larger constituencies, lengthy campaigns, all increase costs. The high cost of seeking public office poses some serious questions. Will only the wealthy be able to seek public office? Will candidates become obligated to special interests? Years ago Will Rogers said, "Politics has got so expensive, it takes a lot of money even to get beat with."

Another problem is that the sources of contributions are limited. Professor David Adamany of Wesleyan University says that only 8-10% of Americans contribute money to politics.

Also of concern is the unequal distribution of political funds among candidates for the same office or for offices at different levels. The more visible races for mayor or governor attract a greater proportion of the scarce political funds. This unequal financing leaves the voter inadequately informed about some candidates and offices.

These several problems do need attention. This is a good starting point. More complete disclosure of campaign receipts and expenditures will furnish further data needed to begin to solve these problems. It is possible that disclosure, in addition to publicizing campaign financing, will accomplish some control. Financial reports, published prior to elections, could make excessive spending unwise. By identifying the sources of funds, there should be less question of undue influence. With disclosure, citizens should be

be able to take this into consideration at the polls.

The League intends to study the question of limits on campaign spending this fall. We may also study the control of campaign financing by limits on contributions and control by public funding. Certainly other controls may be desirable. But without disclosure, the other controls could be ineffective and unenforceable.

Our State League Campaign Practices Committee has given considerable thought to how effective, enforceable disclosure can be obtained. The more closely we examined the problem, the greater appreciation we had for the difficulties in writing loophole free legislation. We recognize that there is no such thing as a perfect full disclosure law. But openness in government is so absolutely vital, the effort must be made. We have a number of ideas we would like to share with you. We do not intend to imply that we have covered every detail or that there may not be some good alternatives. We are not speaking to any particular bill.

My committee feels that these are the important features of a disclosure law:

1. All elections should be covered by the law, including school district elections.
2. The money process should be centralized. All receipts and expenditures should be through the candidate and his or her treasurer. Both should be held accountable.
3. The campaign treasurer should keep detailed records of all transactions. The books should be available for public review.
4. At the time of organization and before contributions are received, all campaign committees and candidates should register.
5. There should be detailed reporting. Contributions from groups or individuals, which in the aggregate total \$50.00 or more, should be fully identified - name, mailing address, business, date, amount. There should be complete data on expenditures. Reports should include the identity of individuals or businesses receiving campaign funds, and state the purpose, date and amount. Each report should show the cumulative total receipts and expenditures. All sums received or spent in amounts less than \$50.00 should be identified in a general way. Anonymous funds should escheat to the state.
6. There should be detailed reporting by all non-party committees. All transfers of money should be accompanied by complete identification of contributors.
7. Political parties should be permitted to make expenditures. Parties should be required to file timely, detailed reports. Contributions of \$100.00 or more to a party in the aggregate in a year should be identified.
8. Disclosure should be timely. Reports should be filed each month after a committee has registered, and 7 or 8 days before and after any election. A major proportion of the receipts and expenditures should be reported prior to an election. To achieve this, it would be necessary to report all loans or pledges and all outstanding debts.
9. Reports for any one election should be centralized. Candidates should prepare duplicates of the original report in order to send copies to county auditors within their district. Candidates should also send copies to designated newspapers - publishing these reports should be required.
10. There should be an impartial audit.

11. Candidates who don't comply with the law should be prohibited from taking office.
12. There should be stiff fines for losing candidates who have violated the law.

All this must be accompanied by a willingness on everyone's part to see disclosure succeed!

THE LEAGUE OF WOMEN VOTERS OF MINNESOTA,

555 Wabasha, St. Paul, Minn. 55102
October 14, 1971

LWV Statement on Campaign Spending Presented at a Press Conference in the
Rotunda of the State Capitol October 14, 1971

The League of Women Voters of Minnesota has long been concerned with fair campaign financing. Since 1961 we have supported efforts to pass legislation that would effectively regulate campaign moneys. During the regular legislative session there was considerable discussion of bills providing for full disclosure of campaign receipts and expenditures. Similar legislation has been introduced in this special session. The need for effective disclosure laws is critical and we urge the legislature to thoroughly examine this proposal.

Public concern is growing over the skyrocketing cost of running for public office. We are confronted with the very real possibility that only wealthy candidates or those indebted to special interests or those with a few wealthy supporters will be able to gain public office. This failure to regulate campaign moneys is one of the most corrupting factors in American political life today.

Minnesota statutes appear to limit spending and provide for the disclosure of campaign moneys. In the 1970 election, Minnesota law limited spending for the office of governor to approximately \$87,000. Obviously this sum of money is inadequate for a candidate seeking statewide office. Spending limits for other public offices are equally unrealistic. Thus candidates for elective office in Minnesota must gain their positions by ignoring the intent of laws limiting expenditures. Under present laws candidates are required to file detailed financial statements of their personal campaign committee and party committee. These two committees must stay within the spending limits. But citizens may work in behalf of a candidate and not observe spending limits as long as they do it without the candidate's knowledge. Such citizens' committees need only report their total contributions and expenditures within 30 days after an election. A brief examination of financial statements filed with the Secretary of State indicated several interesting facts: There were very few itemized reports. This points to the use of volunteer committees over personal campaign committees. There is no audit of the statements and no way to determine if a volunteer committee existed or filed a correct statement.

We believe that the people have a right to know the amount of money that is spent in a campaign, where it came from, and how it was spent. We believe that the candidate should be made responsible for such reporting. Laws that are so widely abused invite public disrespect and diminish confidence in elected officials and our system of government.

We should not pass up this opportunity to reform campaign spending laws before the 1972 election.

Return to state office.

League of Women Voters of Minnesota, 555 Wabasha Street, St. Paul, Minnesota 55101
February 1969

TIME FOR ACTION

TAX EXEMPT PROPERTY

TO ALL LOCAL LEAGUES:

Constitutional amendments concerning tax exempt property will be discussed soon by the House Tax Committee - possibly on Thursday, February 20. Three bills have been introduced. H.F. 205 (Wright, Graw, Humphrey, C. A. Johnson, W. C. Fischer) would allow the legislature to more clearly define categories of exempt property. H.F. 239 (Lindstrom, Chamberlain, R. Johnson, Sabo, Theis) would allow the legislature to more narrowly define categories of exempt property except churches, houses of worship, and property used solely for educational purposes by academies, colleges, universities, and seminaries of learning. H.F. 385 (North, Ulland, E. Gustafson, R. L. Pavlak, Larson) would allow the legislature to more narrowly define categories of exempt property and would allow the imposition of service fees on exempt property for certain institutionally beneficial services.

Since all of these bills fit under League position, it is probably best to indicate your support of the ideas involved - as in our position - rather than supporting a particular bill. If your representative is a member of the House Tax Committee, you are particularly urged to contact him.

Committee membership is as follows:

HOUSE TAX COMMITTEE

Anderson, H., Chairman	Fisher, D.	Nolan
France, Vice-Chairman	Graw	Pavlak, R.
Adams, S.	Gruys	Prifrel
Bares	Gustafson, E.	Reigel
Becklin	Hegstrom	Renner
Chamberlain	Hoppe	Sabo
Chenoweth	Humphrey	Sathre
Christianson, M.	Johnson, C. M.	Stangeland
Everson	Johnson, R.	Stone
Anderson, I.	Lindstrom	Theis
	Mueller	Ticen
	Newcome	White

Background information:

For background information you can refer to the last two publications, Property Taxes: Probing Some Options and Some Property Tax Flaws and Options. Other material can be found in the sample speech, "First Aid for our Ailing Property Tax" which was included in the kit provided at the fall, 1968, State Action Workshops.

Please let us know what action you have taken on the enclosed card.

Thank you very much for your support.

Testimony as given by Mrs. Harold Nash to the House Tax
Committee concerning tax exempt property
February 27, 1969

FILE COPY

I am Mrs. Harold Nash and I'm speaking for the 5800 members of the League of Women Voters of Minnesota who live in 68 communities throughout the state. During the past four years League members have been studying how governments in Minnesota are financed, the major taxes involved, and the property tax in particular.

The equity of the property tax depends to a large degree on how equitably it is administered. There are several aspects of its administration which lead us to question its equity -- and one is certainly the matter of exempt property. When the tax is levied on only half, or less -- sometimes only 1/5 -- of the property in a community, is it any wonder that citizens are questioning the fairness of this tax?

In the last six years the value of tax exempt property in Minnesota has increased more than three times. With the growth in population and increasing affluence, there are demands for not only more, but better services -- such as churches, schools, highways, parks, etc. This, of course, takes more property off the tax rolls. Liberal court decisions have been another contributing factor in the rapid rise of exempt property.

Overwhelming numbers of our League members have expressed the opinion that the amount of exempt property must be reduced. We believe the legislature should more clearly define exempt property to help both the courts and assessors in making their decisions. To give you definite unquestioned authority to do this, a constitutional amendment, such as these you are considering today, is necessary. The League supports the ideas expressed in each of these three bills. H.F. 385 includes the additional authority to levy a charge against exempt property for certain services. The League

supports this concept, however, to take effect, any amendment must be passed by the voters of the state. Mr. Lindstrom's H.F. 239 would probably have the best chance of passing this hurdle. The decision is yours but we urge you to pass one of them. If you place any one of these amendments on the ballot, the League will actively work for its passage.

STATEMENT OF POSITION ON TAX EXEMPT PROPERTY
TO HOUSE TAX SUBCOMMITTEE ON TAX EXEMPT PROPERTY
August 2, 1968

FILE COPY

I am Mrs. Harold Nash and I'm speaking for over 5400 members of the League of Women Voters of Minnesota who live in 69 communities throughout the state. During the past 3 years League members have studied how governments in Minnesota are financed, the 3 major taxes, and property taxes in particular. I would like to point out at the beginning that we are concerned with tax exempt property in general, including but not limited to churches - your special topic for today.

Tax exempt property is of particular concern now because its value is growing so much faster than that of taxable property. Because of the increase in population and also the increasing affluence, there are demands for not only more but better services - such as churches, schools, roads, recreational facilities, etc. Liberal decisions of the courts have been another contributing factor in the rapid rise in exempt property. Since laws and decisions as to what property shall be exempt are made on the state level while the costs are borne at the local level, it has been quite painless for legislators and courts to make decisions which increase greatly the amount of exempt property. The unequal impact of such exemptions on individual local governments coupled with the tremendous increases in the costs to government of providing local services has led people to question the equity of these subsidies.

League members believe the present system of exemptions is inequitable and places an undue burden on all other property owners. Therefore we believe: 1. Criteria for determining property tax exemption should be more restrictive than they are now. 2. Property that is profit-making or in competition with private taxpaying enterprises should be taxed regardless of ownership. 3. Owners of exempt property should pay enough taxes, or a charge in lieu of taxes, to cover the costs of services received. And 4. The status of each exemption should be reconsidered at regular intervals.

The League will support either an amendment or statutes which will accomplish these ends.

Under our position on property tax reform our lobbying efforts were concerned with tax exempt property and assessors. Seven bills from the House Tax Committee's Interim Subcommittee on Tax Exempt Property were supported with the greatest ~~effort~~ emphasis on the constitutional amendment. Three versions of the amendment were considered by the House Tax Committee on Feb. 27. The League statement was given supporting the three amendments (HF's 205, 239, 385) but pointing out the advantages of HF 239. The rest of our lobbying on the exempt property bills consisted of talking with authors, committee chairmen, etc. and acting as a channel of communication between House and Senate. Local Leagues and their members contributed immensely by answering two Calls for Action. Twenty-two Leagues responded to the first call by writing letters to their representatives or the House Tax Committee Chairman. On the second call, 23 Leagues responded by contacting their representatives, writing letters to the editor, etc. Thirty-three Leagues answered one or both Calls for Action. Minneapolis put out a special Call for Action to members in Senator Wright's district. HF 239 did pass both houses and will be on the ballot in 1970. One other exempt property bill, HF 238, passed and was signed by the Governor. No others were passed. Some of the others were purposely not acted on as the session drew to a close in order to avoid jeopardizing passage of the constitutional amendment.

The League position permitted our support of four assessor bills but only one saw any action so our efforts were concentrated on it. A formal statement was made before the Senate Tax Committee in support of SF 1121. Our support was also made known to the House Tax Committee but the statement was not given there due to the press of time. This bill passed both houses and was signed by the Governor.

We did not lobby on the bills concerning tax incentives for pollution control but as a matter of interest both HF 569 and SF 2299 passed both houses and were signed by the Governor.

The League machinery seemed to work as well as might be expected except at first when we weren't getting lists of companion bills. This was rectified later, however. I think our lobbyists should have prepared statements to hand out to committee members as we do, but then perhaps she should be free to speak extemporaneously if it seems more appropriate. Perhaps we'd be more effective if we could get down to more of the nitty-gritty details. If we were to do that, we'd probably have to concentrate on fewer bills and start earlier and the Board would have to make more decisions since our positions are necessarily so general. Or perhaps our lobbyists just need to be more knowledgeable.

TAX EXEMPT PROPERTY BILLS

1969

Bill	Authors	Comp.	Authors	Provisions	Fate
HF 237	Chamberlain Lindstrom S. Adams R. Johnson Theis			Condemned property shall be subject to taxation until actual possession is relinquished.	Was combined with HF 238
HF 238	Chamberlain Lindstrom S. Adams R. Johnson Theis			The state or governmental subdivision must pay all delinquent taxes on any property bought by them.	Passed both houses and was signed by the Governor on May 26.
HF 239	Lindstrom Chamberlain R. Johnson Sabo Theis	SF 1939	Wright Holmquist	Constitutional amendment to allow the legislature to define or limit tax exempt property except churches, houses of worship & property used solely for educational purposes.	Passed both houses and was signed by the Governor on June 4.
HF 240	Lindstrom Chamberlain S. Adams R. Johnson Theis			Residences owned by schools, colleges, universities, etc. shall be taxed.	Passed the House. Passed Senate Tax Committee but did not reach a vote on the floor of the Senate.
HF 241	Lindstrom Chamberlain S. Adams R. Johnson Theis			Taxation of leasehold estates (port authorities and airport) shall be based on market value.	Laid on the table by House Tax Committee because a court case was decided which made it unnecessary.
HF 493	Lindstrom Chamberlain Theis Sabo Scherer			Property owned by U. of Minn., the state and all subdivisions shall be taxed if it is used primarily for a nongovernmental or noneducational purpose.	Passed House. Amended & passed by Senate May 20. Attorney General's office thought it might cover more than intended so it was dropped.
HF 494	Chamberlain Lindstrom Theis R. Johnson Sabo	SF 2132	L. Larson E. J. Anderson Holmquist	Recreational areas owned by institutions of purely public charity shall be taxed except those operated for the handicapped or underprivileged.	Passed Senate. Did not pass House Tax Committee.

TAX EXEMPT PROPERTY BILLS 1969 (Con't.)

Bill	Authors	Comp.	Authors	Provisions	Fate
HF 205	Wright Graw Humphrey C. A. Johnson W. C. Fischer			Constitutional amendment allowing the legislature to more exactly define the classes of property exempt from taxation.	Heard by House Tax Committee but no action taken.
HF 385	North Ulland E. Gustafson R. L. Pavlak Larson	SF 559	J. Hughes R. Perpich Konzemius	Constitutional amendment allowing legislature to more narrowly define the limits of the categories of exempt property & to authorize the imposition of service fees on exempt property for certain institutionally beneficial services.	Heard by House Tax Committee but no action taken.
HF 1295	R. Johnson Chamberlain Gruys Lindstrom T. Anderson	SF 1077	Blatz Bergerud Ogdahl	Constitutional amendment changes the constitution so the list of property in Art. IX, Sec. 1 shall be exempt except to the extent otherwise provided for by law.	Heard by House Tax Committee but no action taken. Part of the wording was incorporated in HF 239.
<u>TAX INCENTIVES FOR POLLUTION CONTROL</u>					
HF 569	R. Pavlak Haugerud Munger Sabo I. Anderson	SF 391	Konzemius Coleman R. Perpich	Allows income tax credit of 5% of the cost of pollution control equipment.	Passed both houses and was signed by the Governor on June 6.
SF 2299	Wright	HF 2788	France H. Anderson	Property tax exemption for equipment used primarily for pollution control now applies only if it meets standards of Minnesota Pollution Control Agency and is installed & operated in accord with a permit from PCA. If it is not exclusively for pollution control, exemption is on a pro-rated basis.	Passed both houses and was signed by the Governor on June 6.

ASSESSOR BILLS

Bill	Authors	Comp.	Authors	Provisions	Fate
SF 1121	Wright Blatz			Any county may establish a true county assessor system. Does not apply to Ramsey Co. Certain cities over 30,000 population and property assessed by the state would not be included.	Passed both houses and was signed by the Governor on June 6.
SF 1122	Wright Blatz	HF 2419	S. Adams France	County assessor appointments shall be made from qualified list kept by the State Tax Commissioner.	Not heard by either tax committee.
SF 1129	Wright Blatz	HF 2420	France Stone	No one shall be appointed as township, city or village assessor unless he has an assessor's certificate from the State Tax Commissioner.	Not heard by either tax committee.
HF 1722	Graw France Brandt Forseth C. A. Johnson			Assessors enrolled in courses approved by the Tax Commissioner shall have half the tuition tuition paid by the state. The rest may be paid by the taxing district or the assessor. \$25,000 for each year of the biennium is appropriated.	Re-referred from the Tax Committee to Appropriations but no action was taken.