



CONTACT

Tina _____ LIEBLING

State Representative

Office:

393 State Office Bldg.
St. Paul, MN 55155
(651) 296-0573
Toll Free
1-800-339-9038

Home:

P.O. Box 6332
Rochester, MN 55903
(507) 289-4664

E-Mail:

rep.tina.liebling@house.mn

Webpage:

www.house.mn/30A

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State Representative TINA LIEBLING

HOUSE OF REPRESENTATIVES

LEGISLATIVE UPDATE

DECEMBER 20, 2005

Dear Friends,

With the holidays almost here, I want to take this opportunity to wish everyone a joyful season.

The big news from the Capitol this month was the November state budget forecast that showed a \$337 million balance at the end of this year and a \$701 million surplus projected for the next two years. It is good to see black ink, although job growth still lags. The surplus news along with recent Rochester Truth-In-Taxation hearings have sparked a lot of discussion about the state's reliance on property taxes and budget shifts and what the priorities should be for 2006. Below is my response.

Have a wonderful and relaxing holiday and a Happy New Year!

Warmly,

Surplus Provides Opportunity to Restore Responsible Budgeting

Earlier this month, Rochester residents crammed into Truth-in-Taxation hearings to voice concerns over rising property taxes. None of us likes to pay more, but these steep increases can be devastating for low-income homeowners, seniors, and small businesses. Some residents have told me that they may have to sell their homes because of rising property taxes. I take these concerns seriously.

Many of the current property tax hikes are happening because the Governor and other Republican House leaders were unwilling to consider any increases that could be called a state tax increase—even for those earning over \$250,000 who have benefited from recent tax cuts at the state and federal level. Instead, they chose to balance the books by passing the state's bills on to local governments. But local governments are limited in how they get their funds—they are dependent on property taxes.

November's state economic forecast showed that when the state's books were closed at the end of the 2004/05 biennium Minnesota had \$337 million left over. During the 2006 session the legislature must decide what to do with the money. Both parties have proposed devoting at least a portion of it to property tax relief.

In March, when the legislative session begins, I will be working to use the "extra" 2005 funds for property tax relief targeted to those with low incomes who are most in danger of losing their homes or small businesses. And I will continue to press for honesty and fairness in Minnesota's tax policies.

I encourage all residents to find out if they are eligible for one of several property tax refunds based on either income or a large increase in your property taxes (this includes renters). To determine if you are eligible for one of these refunds, read and fill out Form MIPR, available at:

www.taxes.state.mn.us/taxes/prop_refund/index.shtml
or call the Department of Revenue at (651) 296-3781

If we want to be good stewards of the public dollar we must also pay attention to controlling future costs. I feel strongly that we should invest at least part of any remaining surplus in energy conservation and alternative energy projects. Every year, billions of dollars leave Minnesota in payments for energy, and too much of that energy goes out leaky roofs, windows, and doors. When schools, nursing homes, colleges, and government buildings use more energy than necessary the waste affects the taxpayer directly. We must move toward energy independence for Minnesota just as quickly as we can.

The forecast also projected a \$701 million surplus for the 2006/07 biennium. This is good news for the state—and an opportunity to restore some of the fiscal integrity that has been missing in recent years.

First, we must pay off our debt to schools by reimbursing money the state “borrowed” from them when it shifted payments from one fiscal year to the next. This budgeting gimmick forced some schools into expensive short-term borrowing and downgraded the state’s bond rating. Under current law, the entire \$701 million surplus automatically goes to buy back the shift, with \$94 million still unpaid. That’s as it should be.



Liebling (left) received her Legislative Children’s Champion award at a special State Capitol ceremony from Carole Specktor, CDF’s Legislative Affairs and Advocacy Director.

Tina Liebling Named “Legislative Children’s Champion” By Children’s Defense Fund Minnesota

Representative Tina Liebling was named a “Legislative Children’s Champion” recently by the Children’s Defense Fund (CDF) Minnesota.

Liebling not only scored 100% on six key votes impacting the health and well being of children, but also signed onto key health care or childcare legislation during the 2005 legislative session. She is one of just four Senators and 19 House Members to receive the honor.