



# State Representative **TINA LIEBLING**

**HOUSE OF REPRESENTATIVES**

## **LEGISLATIVE UPDATE**

**MAY 13, 2005**

### **HOUSE OMNIBUS TRANSPORTATION FINANCE BILL PASSAGE A VICTORY**

#### **CONTACT**

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This week, I helped amend the House Omnibus Transportation Bill to provide immediate and substantial investments in our roads, bridges, and public transportation systems across the state.

Minnesota's transportation system has been underfunded for years, and our deteriorating roads and bridges show it. If passed into law, this bill will invest \$7.8 billion over the next ten years to address our current and future transportation needs. It takes a balanced approach of bonding, adjusting the motor vehicle sales tax dedication, and a reasonable gas tax increase completely dedicated to improving the health and safety of our roads and bridges in the state. The gas tax has not been increased since the 80s, and even with the increase it will be lower than our neighboring state of Wisconsin and eight other states.

The amendment that passed to make these real and significant investments in our statewide transportation system is a victory for moderates in the House. A coalition of moderate Republicans, Democrats, rural, and metro mem-

bers worked hard to find a balanced and honest approach that the majority of members of the House could agree on. The bill calls for an immediate infusion of resources into our entire transportation system. It will increase the gas tax by five cents now and another five cents in 2008 and increase tab fees on future car purchases - all of which fund road and bridge projects. I would have liked to see a more gradual increase in gas taxes, but supported this bill because it is a breakthrough compromise that does what you sent me here to do: move Minnesota forward. In the coming final week of the session, finding common ground and compromise is going to be key to getting our work done on time.

The Governor has said that he will veto the bill because it raises the gas tax. I hope he will reconsider. If he chooses not to invest in Minnesota, growing congestion and disrepair of our roads will continue. If you would like to contact the governor you can reach him at (800) 657-3717 or [tim.pawlenty@state.mn.us](mailto:tim.pawlenty@state.mn.us).



# HOUSE OMNIBUS TAX BILL INCLUDES IMPORTANT PROVISION FOR CITY OF ROCHESTER

The House also took up its Omnibus Tax Bill this week. Like the other omnibus bills, this one has some positive aspects and some negatives. On the positive side, we were successful in adding a provision that would allow the city of Rochester to continue the ½ cent local option sales tax. Rochester and Olmsted County will cooperate to complete the work on the Highway 52 project using these funds. The use of sales tax for these projects means that people who come to Rochester and drive on our streets will share the cost, taking some of the burden from Rochester property taxes.

The bill also establishes a procedure for cities to use sales taxes for regional projects if they meet certain criteria and get voter approval.

On the negative side, the bill cuts the Renter's Credit, which is important to many low-income people. I supported an attempt to remove this section and reinstate the full Property Tax Refund, off-setting the cost to the state by closing corporate loopholes instead. Unfortunately, the amendment failed on a largely party-line vote.

The bill makes big changes to the program called Local

Government Aid (LGA). LGA is state aid to municipalities, designed to provide some balance and fairness between communities that are property wealthy with those that are less so. The money helps cities and towns meet their basic need for city services like police and fire protection and takes some of the burden off of local property taxes. In 2003, there were drastic cuts of over \$300 million statewide to LGA. The cuts had a dramatic impact on Rochester. This tax bill gives Rochester a modest increase of \$211,204 over what the city was scheduled to receive in 2006, but also makes severe cuts to Minneapolis, St. Paul, and Duluth. The increase to Rochester is a small improvement after the cuts in the last biennium, but at the expense of other cities. I supported an amendment to reverse those cuts, which increased the aid to Rochester by \$2,710,914 dollars, but that amendment failed on a tie vote.

The area of tax policy is likely where there is the most disagreement between the House and the Senate. I believe that we will see a much different version of this bill as a result of conference committee.

## TALK WITH TINA!

*Share your ideas and concerns with  
Rep. Liebling at an informal meeting*

**Saturday, May 14, 2005  
12:00 pm - 2:00 pm**

**Rochester Public Library, Room A  
101 2nd Street Southeast**