



# Capitol Contact by State Representative Steve Simon 2006, Volume IV

## THE NEED FOR PROPERTY TAX RELIEF

### The Property Tax Problem

The property tax is a primary funding source for cities, counties, certain portions of school district budgets, and other units of local government. It is a very stable and reliable source of revenue. But it's often unfair because it bears little relation to the actual ability to pay. It hits retirees and those on fixed incomes especially hard.

Dear Friends,  
Many of us are frustrated by the steep increases in our property taxes over the past few years. The problem stems partly from the irresponsible 2003 state cuts in aid to local governments, resulting in a massive cost shift to our cities and counties. And some of the blame lies with the disappearance of traditional tax protections for our local residents. In general, the property tax is among the least fair of all taxes because it is not based on ability to pay. I'm proud to have pushed for reforms that would give our residents the property tax break they deserve.

*Steve*

### Relief for Property Tax Payers

I'd like to see a more fair tax system, with less reliance on property taxation. Here are some of the solutions that I've supported to give property tax relief to residents of Hopkins and St. Louis Park:

- Use existing state money instead of property tax revenue to fund our schools  
*One promising proposal would save Hopkins and St. Louis Park residents over \$1 million in property taxes by funding certain school expenses with existing state money instead of local property tax money.*
- Restore the damaging cuts to local government aid.  
*I'd like to reverse, at least partially, the cuts in the state aid payments that "buy down" our local property taxes.*
- Restore the cap on yearly property tax increases.  
*Minnesota used to have a cap on the yearly market value increase, but it's slowly being phased out. I'd like to bring it back – or at least extend the phase-out.*
- Give renters a break.  
*People who pay rent pay property taxes. They deserve to be part of any property relief package.*
- Give temporary relief in the form of a one-time rebate.  
*Although I would much prefer a more permanent solution, a one-time rebate would temporarily ease the property tax crunch for many families in our area.*

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As always, please feel free to contact me about any issue, idea, or concern.