



*Minnesota Seasonal Recreational Property Owners*

Home

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## *Happy New Year, Seasonal Property Owners!*

The 2009 Legislative Session starts today — Jan. 6th at noon. Balancing the State's budget will be the top order of business.

Minnesota is not alone. Nobel Prize winning economist Paul Krugman notes that almost all fifty states face deficits and are looking at massive cuts as a response. In an article called [Fifty Herbert Hoovers](#), Krugman cautions against using spending cuts as the only solution to a budget crisis, particularly in a down economy.

The *Detroit Lakes* paper has an [article](#) in which Senate Tax Chair Tom Bakk and house Property Tax Chair Paul Marquart both admit that the state could face yet another year of huge property tax increases. The increases will be highest in rural Minnesota, with the suburbs held nearly harmless. Of course, in rural Minnesota Seasonal Property, which does not have circuit breaker protection, will suffer more than Homesteads.

In this *Grand Forks Herald* [article](#), House Property Tax Chair Paul Marquart listed property tax relief along with education and public safety as priorities. Last year, Marquart's Committee unsuccessfully tried to extend tax deferral for senior citizens to seasonal property, a welcome baby step in the right direction. We hope that his bill this year builds on that and also includes circuit breaker protection for Seasonal as the Limited Market Value Law expires. A recent report by the Lincoln Land Institute, a think tank focused on taxation issues, suggests that circuit breakers are the best way to provide property tax relief — fairer and easier to administrate than either levy limits or refunds. MSRPO agrees.

Forcing the property owners to backfill the state's budget deficit is simply WRONG. Minnesota's property tax payers have been paying an inflated "bubble tax" over the last five years. For most owners, falling market prices have not yet been reflected in lower assessments. So, in essence, they are being taxed on value that never actually existed, and will get no refund now that prices are falling. Property taxes have been going up dramatically for years now with seasonal property leading the way. It is wrong for the state to continue to shirk its responsibility and push tough choices down to the local level. Minnesota's Governor and Legislature should balance Minnesota's budget, not hundreds of mayors and city managers scattered across the state.

But in order to balance the budget, politicians will need to drop platitudes about no new taxes and other gimmicky one-liners. The state's leaders will need to solve persistent State and Local Fiscal system problems. The way we finance our government is flawed, and bold leadership will be necessary to fix it.

There is some reason to be hopeful. Many at the legislature are already talking about broad-based reform. [Here is a link](#) to a *Bemidji Pioneer* article. We believe this budget crisis is an opportunity for real reform, for bold innovation in cost savings and restructuring revenue streams.

Write your legislators where you live, not where your cabin is located. [Here is a link](#). Tell them to take a leadership role and solve the State and Local Fiscal System, not just push a runaway deficit down to local governments, and property owners.

If you live out of state, write letters to the editor in the local weeklies where your cabin is located. It is one positive step you can take as a non-Minnesotan. Express concern that property owners in these rural areas are being asked to balance the budget — that the burden is not being fairly spread. The MSRPO website has links to the majority of the media outlets in Minnesota. Legislators do read their local papers, and this is a great way to have a voice in districts in which you cannot vote. [Click here](#) to find local media outlets.

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for our mailing list

On the same page are [sample letters](#) to guide you. It is best you use your own words, but if you are pressed for time, simply print out one of these and send it in.

Stay tuned — keep up the letter writing and the phone calling. It will have an effect. In fact, it is the ONLY thing that will have any effect this session.

And finally, please forward our emails to friends, family and neighbors. If you are not a member of MSRPO, please join today. We do need everyone to be involved. We run a lean operation, but given the economy, contributions have been falling and our budget is very, very tight this year. We do need to increase our budgets for mailings, advertising, and communications, and at present we do not have any money to expand these efforts.

So please, join today and contribute what you can. The MSRPO website is secure, and joining or renewing on line is quick and easy.

Sincerely,



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