

Good Afternoon.

Moments ago I left the State Capitol building in St. Paul.

Just prior to my leaving the Minnesota House was debating the tax bill.

My expectation is that later today the same bill will be passed by the Senate.
And tomorrow I expect sign it.

And once I sign this tax bill it should mark the end of a historic session.

A session that produced a tax bill that eliminates the general education levy in Minnesota and, as a result, greatly reduces our dependence on the property tax to fund K-12 education and will provide almost \$900 million dollars in property tax relief to Minnesota taxpayers.

It is a tax bill that will be the envy of other states and the beginning of a new era in taxation in Minnesota.

A new era that will be marked with tax reason and tax fairness.

A new era in which Minnesota businesses will be more competitive with businesses in our neighboring states.

A new era in which cabin owners can finally free themselves of "taxation without representation."

A new era when the property tax will truly be a local tax.

A new era in which the word "accountability" will be stamped on every tax dollar sent to every government agency in Minnesota.

If, as expected, this tax bill is passed, it will be a sweet victory. But it was not easy.

Many people worked long and hard hours to accomplish this historic tax relief and tax reform. And to all my staff my cabinet and their staffs, I am very grateful.

It also took the hard work and support of organizations like yours to achieve this historic bill-and I want you to know how much I appreciate it.

The economic times were right, the will of the people was there and we didn't give up when the going got tough.

We swung hard and we connected.

This bill, ladies and gentlemen-is a home run.

Two and one half years ago I came into the governor's office with a goal of lowering the rate of increases in state government spending, rebating the accumulated surpluses and reduce the tax burden on all Minnesotans.

Imagine this:

If the legislature passes this bill today-from the time I took office to the end of fiscal year 2003-Minnesota taxpayers will have saved:

- \$3.1 billion off their income taxes
- \$858 million off their property taxes
- \$475 million off their motor vehicle license fees
- \$69 million off a other miscellaneous taxes, and
- \$6 million off their sales taxes.

That's a total of \$4.4 billion dollars off Minnesotans total tax bill.

And that's not all:

Since the Ventura administration began Minnesotans have received sales tax rebates totaling \$2.67 billion dollars.

While I am proud of these tax relief numbers I am just as proud of tax reform and limited government spending.

Over the last twenty years the average biennial budget increase has been 12.8%.

Based on the agreement we have with legislative leaders, when all the spending bills are passed, the total rate of increase in state spending for the next biennium will be around 6.8%.

In fact, the last time a budget increase was held to single digits was in the 1992-93 biennium when the Carlson administration was facing a \$2 billion dollar budget shortfall.

I know that some will not agree with this path of lower taxes and lower spending. But I would remind you that in this same time I have approved permanent increases in spending to K-12 education by over \$1.3 billion dollars.

And more importantly I have challenged the educational systems of this state to make the absolute most of every tax dollar they receive.

I appreciate your invitation here today.

And while many of the laws of which I spoke have not been signed into law, I hope that I can at least relieve the anxiety of state employees and Minnesotans in general by saying that it looks like we can finish the job we have started in order to avoid a shutdown.

Yes, there are still some hurdles that we must overcome to avoid a limited shutdown. But again, there is no need for that to happen.

If the legislature is true to the overall spending agreements we reached with leadership these bills can be concluded and passed.

And finally, I would remind the legislature that it would be a shame to shut down parts of state government because of their insistence on putting social issue language in an omnibus spending issue.

We have very little time left.

Should it have gone this long? No, it should not have. In fact, based on comments in today's paper, even some legislators admit to being discouraged by this process.

But for now let us appreciate our accomplishments and remember that these accomplishments are the result of compromise. Could we have done more?

Yes.

But we had to give up some things that we would have liked to do.

Did I want income tax cuts? Yes.

Did I want to expand and lower the sales tax? Yes.

Did I want comprehensive campaign finance reform? Yes.

Did others want more? Yes.

Did many in your group want to address the single sales factor? Yes.

Did many in your group want to eliminate the provider tax? Yes.

Did many Minnesotans want more money for schools, nursing homes, the environment and recreation? Yes.

But under the circumstances we couldn't do it all. Compromise and attention to responsible fiscal management in a time of economic slowdown are necessary elements in this process.

It's time to do what we can, celebrate our success, and then move forward to another day and another session.

Governor Jesse Ventura
Minnesota Taxpayers Association
Sheraton Midway, St. Paul
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MINNESOTA HISTORICAL SOCIETY

It should be interesting.

Thank you.