

Minnesota Budget Negotiations Update

July 07, 2011 by [Christine M. Zimmer](#)

The GOP leaders turned down Gov. Dayton's latest offer made yesterday. Dayton proposed a \$1-per-pack tax increase on cigarettes. House Speaker Zellers (R-Maple Grove) called Dayton's offer "very disappointing and a step backwards. We've made it very clear that we do not believe we need a tax increase to balance our budget," Zellers said.

As an alternative to the cigarette tax, Dayton offered to make his previously proposed income tax increase on millionaires into a temporary, two-year surcharge. An increased school aid payment shift, health care surcharges, and various tax reforms are also included as part of both budget offers.

Zellers said that any plan to raise new revenue is a "non-starter" among House and Senate Republicans, who campaigned on reducing the size of government spending. Zellers urged the Governor to call lawmakers back to the Capitol for an immediate special session to pass a "lights on" bill to temporarily fund state government. Dayton responded saying he would only call a special session if an agreement is reached.

Dayton expects the GOP to come up with a counter-offer to his latest offer. Dayton said the Republicans' comments show they are unwilling to compromise. He said he's trying to come up with alternative ways to raise enough revenue to bridge the \$1.4 billion gap that remains between his budget plan and theirs.

Senate Majority Leader Amy Koch (R-Buffalo) noted that the separate meeting with Health and Human Services staff was productive and progress to agreement on issues was made.

Today's meeting will include discussions on education policy difference.

Carlson Commission

The Arne Carlson/Walter Mondale task force came out with their proposal. It includes tax increases for income, sales, alcohol and tobacco. The Carlson Commission presents an overall budget number of \$35.4 billion.

Legal Angle

Appeals to the Special Master Kathleen Blatz have been continuing since July 1. She is making recommendations to Ramsey County Chief Judge Kathleen Gearin. Nearly 40 groups presented arguments for inclusion as a core function of government. Gearin agreed today with the pleas regarding Blind Inc., the Southern Minnesota Regional Legal Services, the state school board association and the state Department of Human Services licensing division.