

NEWS RELEASE



April 18, 2011
For Immediate Release

For: NAIOP Minnesota
The Commercial Real Estate Development Association

Contacts:

For general information:

Kaye Rakow, Director of Public Policy
NAIOP Minnesota, 952-928-7461

For information on the Minnesota Taxpayers Association (MTA) research:

Mark Haveman, Executive Director
Minnesota Taxpayers Association, 651-224-7477

Initiative to Spur Greater Transparency in Local Government Spending Launched by NAIOP Minnesota

Leading state real estate association seeks expanded public debate over spending decisions driving property taxes; calls for greater clarity, uniformity and simplicity in financial reporting to taxpayers.

MINNEAPOLIS, MINN. – Minnesota’s leading commercial real estate association has announced the launch of a new statewide initiative aimed at expanding public debate over increasing government accountability, enhancing local government financial reporting, and identifying and understanding the key cost drivers behind rising residential and commercial property taxes.

NAIOP Minnesota’s initiative includes the distribution of a special publication, ***“What Does Greater Transparency in Government Spending Have to Do with Your Property Taxes?”***, and the establishment of a supporting website—www.OpenGovernmentMN.com—which describes critical issues affecting local government cost structures and areas of improvement needed in local government reporting practices. The initiative is based on research and analysis conducted for the 700-member association by the Minnesota Taxpayers Association (MTA).

-more-

Kaye Rakow, NAIOP'S director of public policy, described the effort as "a logical extension of our association's long history of active involvement in the public policy arena, particularly in the property tax debate."

"Although we've successfully defended our business tenants and investor clients against higher property taxes for more than 25 years, the gains we have achieved at the state level have often been offset by rising local levies, and the constant need for additional revenue at the local level," she explained.

Rakow said a key part of the initiative is a proposal that communities across the state adopt standardized and uniform financial reporting by "object code"—providing information on spending for specific items such as salaries and wages, health benefits, office expenses, fuel, utilities, maintenance, professional services and the like. Taxpayers have great difficulty understanding what cost drivers underlie local spending decisions and, therefore, influence those decisions. Object code reporting would raise important questions about cost trends and structures, allowing citizens to make well informed judgments about the use of their tax dollars.

Local budgets and financial reports are frequently overwhelming and complex, and often report spending only under broad program headings (such as parks, police or streets). "Adopting standardized object code reporting across the state would establish a new level of clarity and simplicity in how local governments present budget information to their constituents," she said.

"Reporting by object code would help taxpayers understand *what* their property tax dollars are buying, not just *how* the money is being spent; allow citizens and the media to make community-to-community comparisons and accurately assign responsibility for spending increases; and provide multi-year data so they and their elected officials alike can evaluate trends and growth rates," Rakow explained.

"We believe it would make it easier for taxpayers to get involved with their local officials in the budget-setting process. It would also improve the quality of public debate over local spending decisions. In a representative democracy, those are all worthwhile goals."

NAIOP Minnesota sees local governments as "potential partners in this initiative," she added. "We are inviting local officials across Minnesota to join with us because informed

taxpayer participation will improve the budgeting process.”

The four-page transparency publication, in tab newspaper format, outlines NAIOP’s proposal based on MTA’s research on local government spending. It also asks for wider public debate and makes recommendations for action. More than 100,000 copies of the publication will be distributed to local and state government officials, legislators, the media, and business owners and taxpayers statewide. Single or bulk copies, available free of charge, may be requested at www.OpenGovernmentMN.com or by calling 952-928-7461.

NAIOP Minnesota is the third largest local chapter of the nation’s leading national organization of commercial real estate professionals and their companies—developers, investors and property managers of single and multi-tenant commercial and industrial buildings and mixed-use real estate. The acknowledged leader of the state’s commercial real estate industry, NAIOP has worked actively with elected officials and makers of public policy for more than 30 years to advance the interests of its members and their business tenants on issues important to the industry.

The Minnesota Taxpayers Association is a non-partisan, non-profit organization founded in 1926 to advance economy and efficiency in government and sound tax policy.

#