



Fiscal Disparities

Fiscal Disparities in the **Twin Cities**

May 2011



About the Twin Cities

- 2.9 million population
- 2 central cities
- 7 counties, 143 cities, 43 townships & 48 school districts
- Nearly 3,000 square miles



What is Fiscal Disparities?

- Taxing jurisdictions in seven-county metro area share part of growth in commercial-industrial (CI) tax base
- Geographic scope & amount of tax-base sharing unique
- Little changed since inception

History

- Proposed in 1969
- Authorized in 1971
- Implemented in 1975
(delayed by legal challenges)

Context

- **Metro Council established in 1967:**
Tax-base sharing complements metro governance
- **Minnesota Miracle in 1971:**
Major restructuring of state fiscal policy