would show that the given city has a greater ability to pay for its own government services, thereby reducing its need for state aid.

Tax increment financing is a development tool that allows the additional property taxes generated by a new or improved development to be used to pay for the costs of the development if the city finds that the development would not occur without such assistance. Thus, the added property taxes generated from a development could pay for land acquisition, site preparation or other development costs as opposed to general government services.

Lenczewski said that cities voluntarily engage tax increment financing, and should not be able to argue for more state aid as a result. "A municipality is voluntarily choosing to divert revenue when it decides — and no one can make them do this — to create the tax increment finance district," she said.

Abrams put it another way. A city could allow a department store to pay for its development costs under tax increment financing. Under current law, the city can then declare a larger need for state aid and a lesser ability to pay for its own governmental services — even if the property taxes it's diverting provide for installation of marble floors in that department store.

But Rep. Morrie Lanning (R-Moorhead) said that in 28 years of city government service he never heard of a city intentionally using tax increment financing to claim a larger need for state aid. If the issue is truly tax increment financing, then that matter should be addressed separately, he added.

Lenczewski argued, however, that the matters are intertwined in legislation. Some cities, she added, are not receiving aid they deserve because other areas have utilized tax increment financing. And some cities receive no aid, such as Edina, even though its taxpayers' money contributes to the larger state aid program.

"It's easy to say there's a drug out there and the state's addicted to it and if everybody's gonna have it well give me some, too," Lenczewski said.

Neither bill has a Senate companion.

Pawlenty's proposal would cut city aid by 29 percent, or $435 million, leaving a $1.07 billion appropriation in 2004-05. County aid would be cut 20 percent, or $189.4 million, leaving a $722.8 million appropriation.

His cuts did not go as far as the 43 percent city aid reduction recommended by State Auditor Patricia Awada to cities with populations larger than 2,500.

If you have Internet access, visit the Legislature's web page at: http://www.leg.mn

IT'S A FACT

A multitalented Minnesotan

Miller served the state on the front lines, in the State Capitol, and elsewhere

The names Sibley and Ramsey dominate historical accounts of the state's early days and receive much of the acclaim for the success of the state in its early days.

And Ramsey can be partially credited for the impact of another early governor: Stephen Miller.

Miller served as the state's chief executive from 1864 to 1866 – during the trying times of the Civil War and the American Indian conflicts in the state. He originally came from Pennsylvania, on the advice of his friend Alexander Ramsey who touted the positive effects the climate of Minnesota would have on Miller's health.

Gov. Stephen Miller

Miller spent more than half of his life in Pennsylvania, primarily near Harrisburg, where he added miller, merchant, editor, and county and state official to his list of credentials.

He moved to Minnesota and settled near St. Cloud in 1858, where he set up a mercantile. His political activism that began as editor of the Whip newspaper, the *Telegraph,* in Pennsylvania continued and in 1860 he was selected as a delegate to the Chicago convention for the newly formed national Republican Party. Miller was a strong supporter of Abraham Lincoln.

When the Civil War broke out in 1861, Miller and his son, Wesley, enlisted in the U.S. Army. Miller, 45, had no prior military experience, yet within a month of his enlistment he was appointed as lieutenant colonel of the First Minnesota Regiment of Volunteers, known for its willingness to support the Union's efforts in the war. Wesley would ultimately die among the thousands at Gettysburg.

" Colonel Miller seemed instinctively to grasp tactical matters and his personal bravery was never called into question," wrote future governor Joseph A.A. Burnquist. That bravery and resolve would be tested in December 1862.

Miller left the First Minnesota to accept the commission as colonel of the Seventh Regiment. An injury after a fall from a horse left him in charge of military camps in south-central Minnesota during the contentious days of the Dakota wars.

An incident on Dec. 4, 1862 forced Miller into what Burnquist called "a particularly difficult and delicate task." While stationed at Camp Lincoln, near Mankato, Miller was guarding about 300 Sioux Indians who had been condemned to death for war crimes. In one of many instances, a group of enraged settlers attacked the camp with the intentions of killing the Indian prisoners.

Wrote Burnquist, "Though in sympathy with the public sentiment against the Sioux murderers, Colonel Miller pledged to oppose mob law, and did so firmly."

President Lincoln would ultimately grant clemency to 265 of the Sioux, though 38 others were hung after Christmas that year in the largest mass execution in U.S. history.

Miller was promoted again, this time to brigadier general in late 1863, but resigned a short time later after being elected governor.

He was described as a plain and practical governor, and during his early days he drew attention to the financial plights of soldiers and their families. "His administration of a single term of two years was mainly devoted to closing Minnesota's connection with the various interests growing out of the Civil War," wrote Burnquist.

Minnesota ratified the 13th Amendment abolishing slavery under Miller's administration. And he also proposed that the state begin using development advances, such as gas lights in the State Capitol.

After leaving the governor's office, Miller worked first for the Minnesota Gold Mining Company and then took a job as a superintendent for the St. Paul and Sioux City Railroad Company. In 1873, he was elected to the Minnesota House where he served one term.

In the last few years of his life, he lived in the southwest Minnesota communities of Windom and Worthington. Some accounts suggest his final years were lonely and economically poor ones for Miller. At age 65, he succumbed to gangrene, which had started in his left foot.

(M. KIBIGER)

Photo courtesy of the Minnesota Historical Society