

# House Property Tax Division

## HF4399 – Increasing County Program Aid (CPA)

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# County Program Aid



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***Counties are key state partners, responsible for local administration of a vast array of state-determined programs***

***County Program Aid is the state's primary general purpose state aid for counties***

- Helps offset the cost of state mandates
- Supports general property tax relief for all property owners

***County Program Aid appropriation amounts are not annually adjusted for inflation, periodic base adjustments are needed to maintain the primary objectives of CPA***



# County Program Aid Formula



## Need Aid

Roughly 45% of the appropriation distributed based on three demographic factors:

- Age-adjusted population (more aid for higher concentration of persons 65+)
- Part I Crimes
- SNAP Households

## Tax Base Equalization

Roughly 55% of the appropriation and generally formatted to provide more aid to counties with lower tax base.

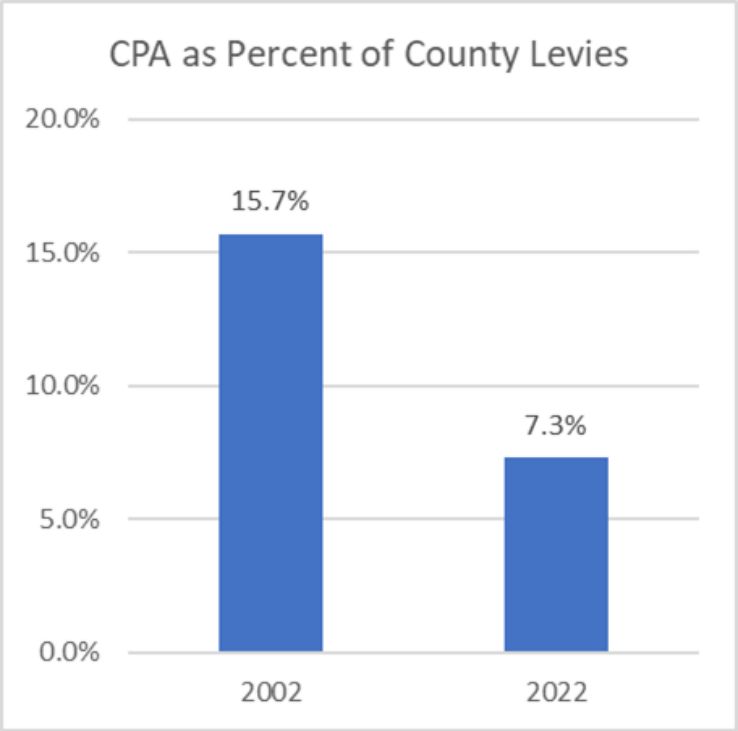
### • Formula:

- $N \times (\$190 \times \text{population} - 9.45\% \text{ of the county adjusted net tax capacity})$
- A county cannot receive less than 95% of its prior year aid amount
- Target of most recent aid revisions enacted in 2017

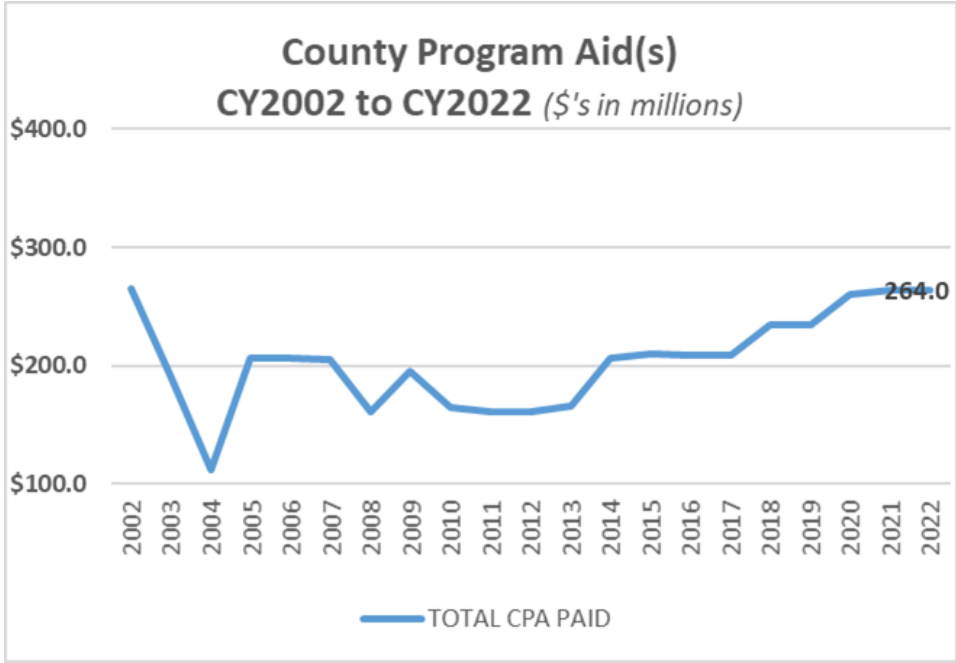


# County Program Aid Trends

**CPA has declined as a percent of total county levy**  
– about ½ the level it was at in 2002



**Current appropriation is at about the level it was twenty years ago** – unadjusted for inflation

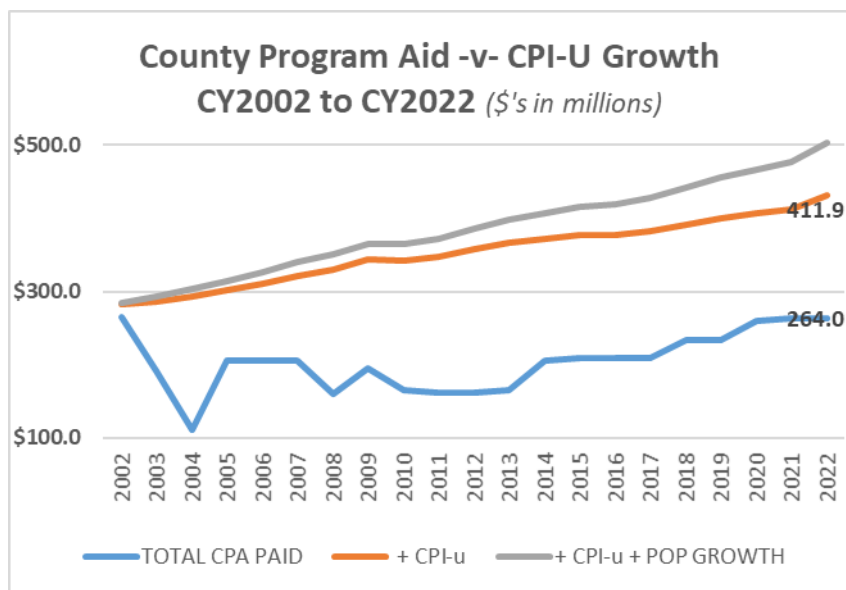




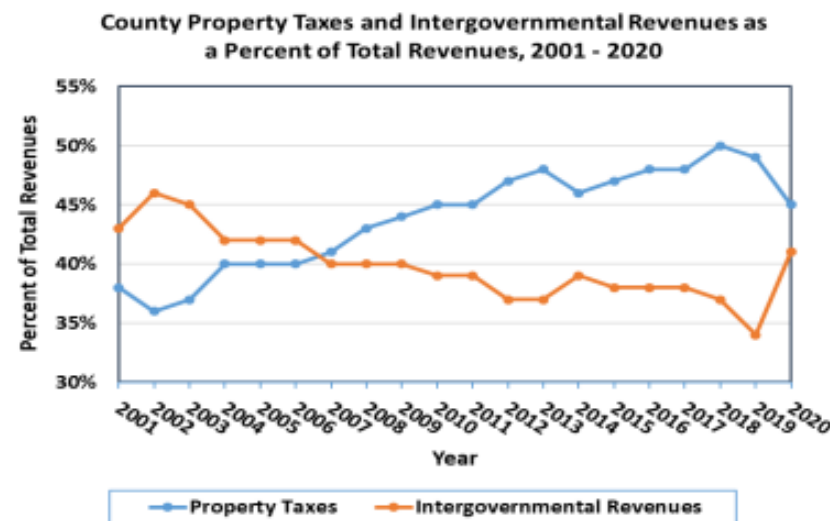
# County Program Aid Trends



Had CPA kept pace with inflation and/or population growth, it would be higher



Property tax levy is now a larger share of total county revenues (Source: OSA Data)





# Thank You!

## Questions?

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