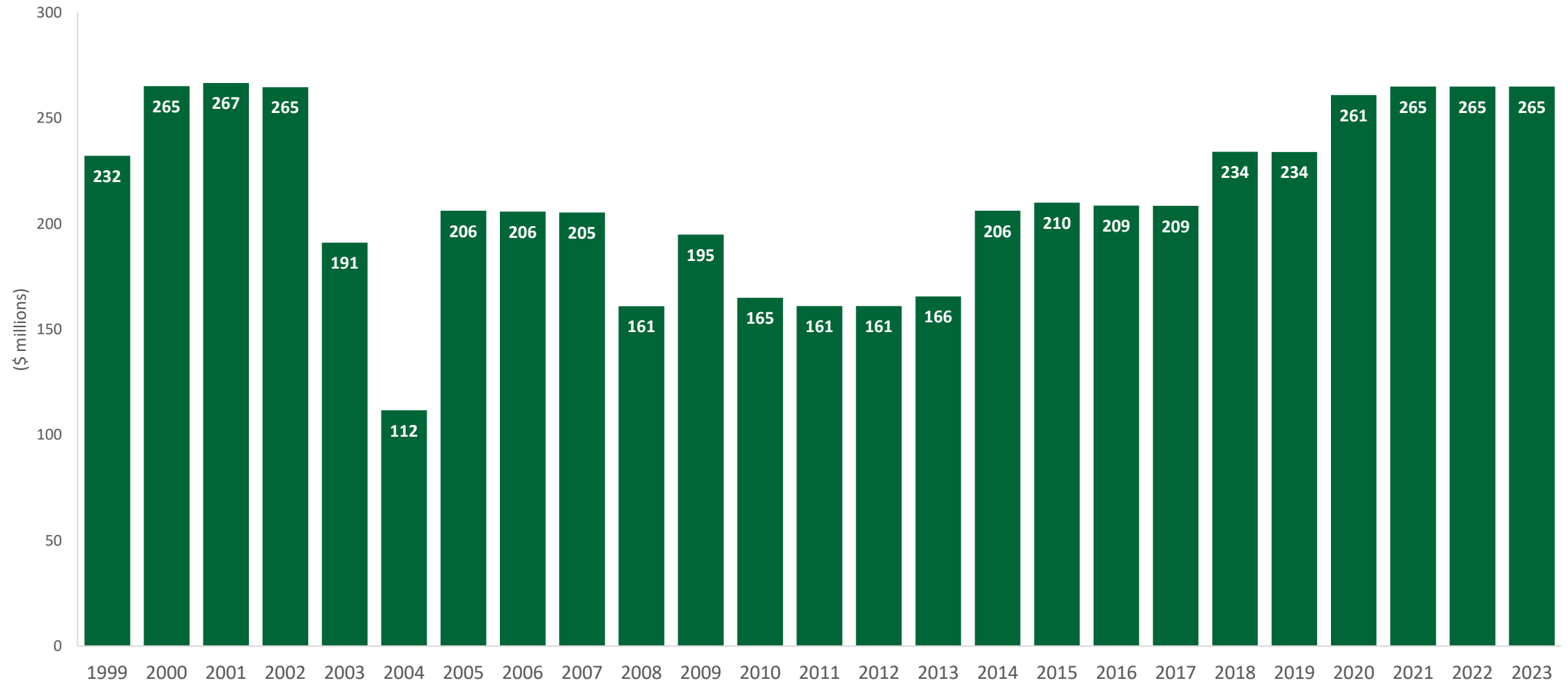


CPA, LGA, and PILT Proposals

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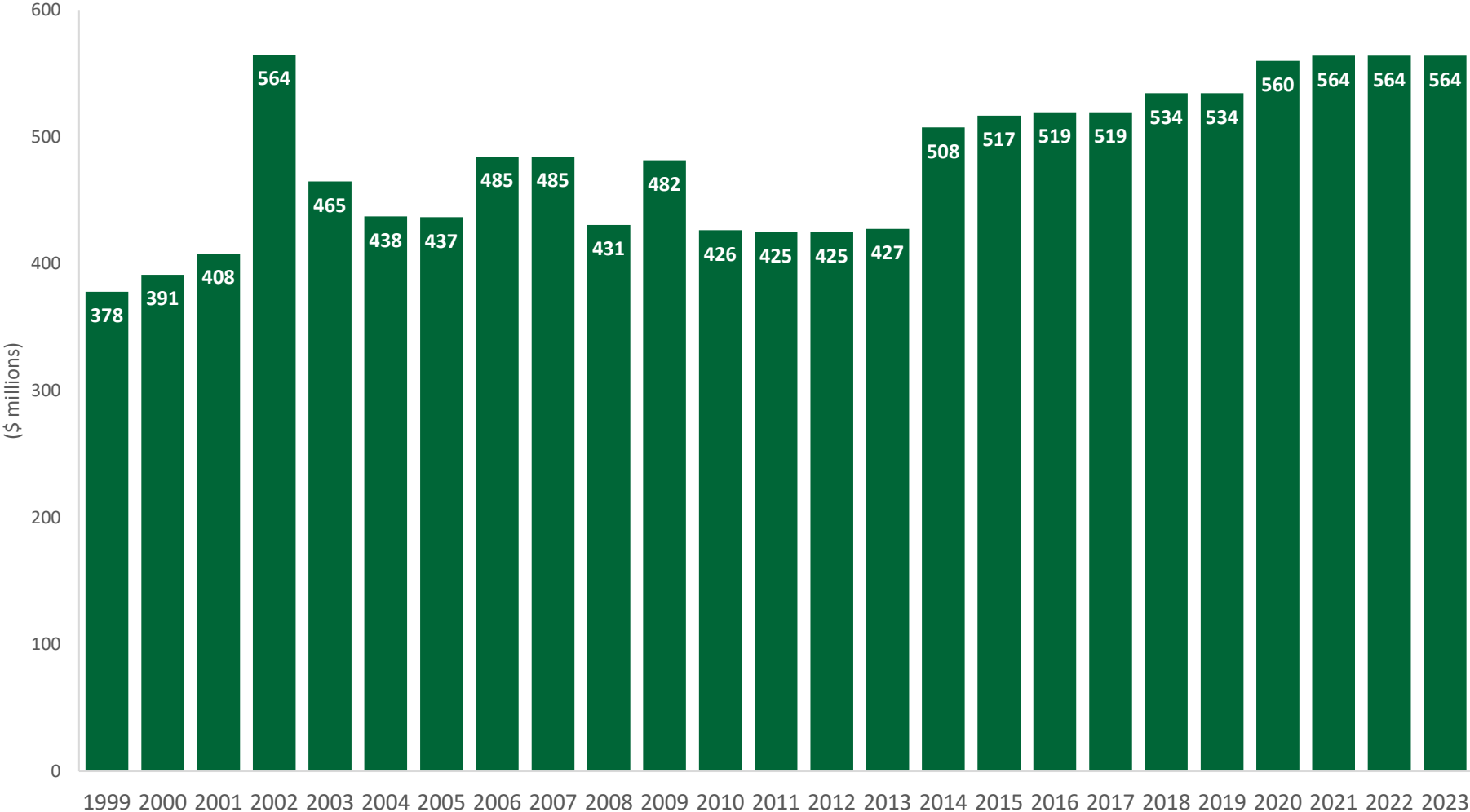
County Program Aid Historical Distributions (\$ millions)



Factors Determining CPA

- Need aid: \$118,795,000
 - Share of population age 65 or older
 - Part I crimes
 - No. of households receiving federal nutrition assistance
- Tax-base equalization aid: \$145,873,444
 - Tax base
 - County population

Local Government Aid Historical Distributions (\$ millions)



Factors Determining LGA

- Appropriation of \$564,398,012
- Aid is determined by calculating “Unmet Need”
 - “Need” – “Ability to pay”
- Current need factors last updated in 2013

CPA and LGA Uses

- Both aid programs are general purpose aid
- No restrictions on how aid can/cannot be spent
- Often considered property tax relief

House CPA and LGA Proposed Changes

LGA

- Update factors in “Need” portion of formula
- Increase appropriation by \$100 million
- Index appropriation beginning in 2026

CPA

- Increase appropriation by \$100 million
- Index appropriation beginning in 2026

LGA and Local Revenues

20 Years of LGA and Nonschool Tax Revenues

Dollars in Thousands

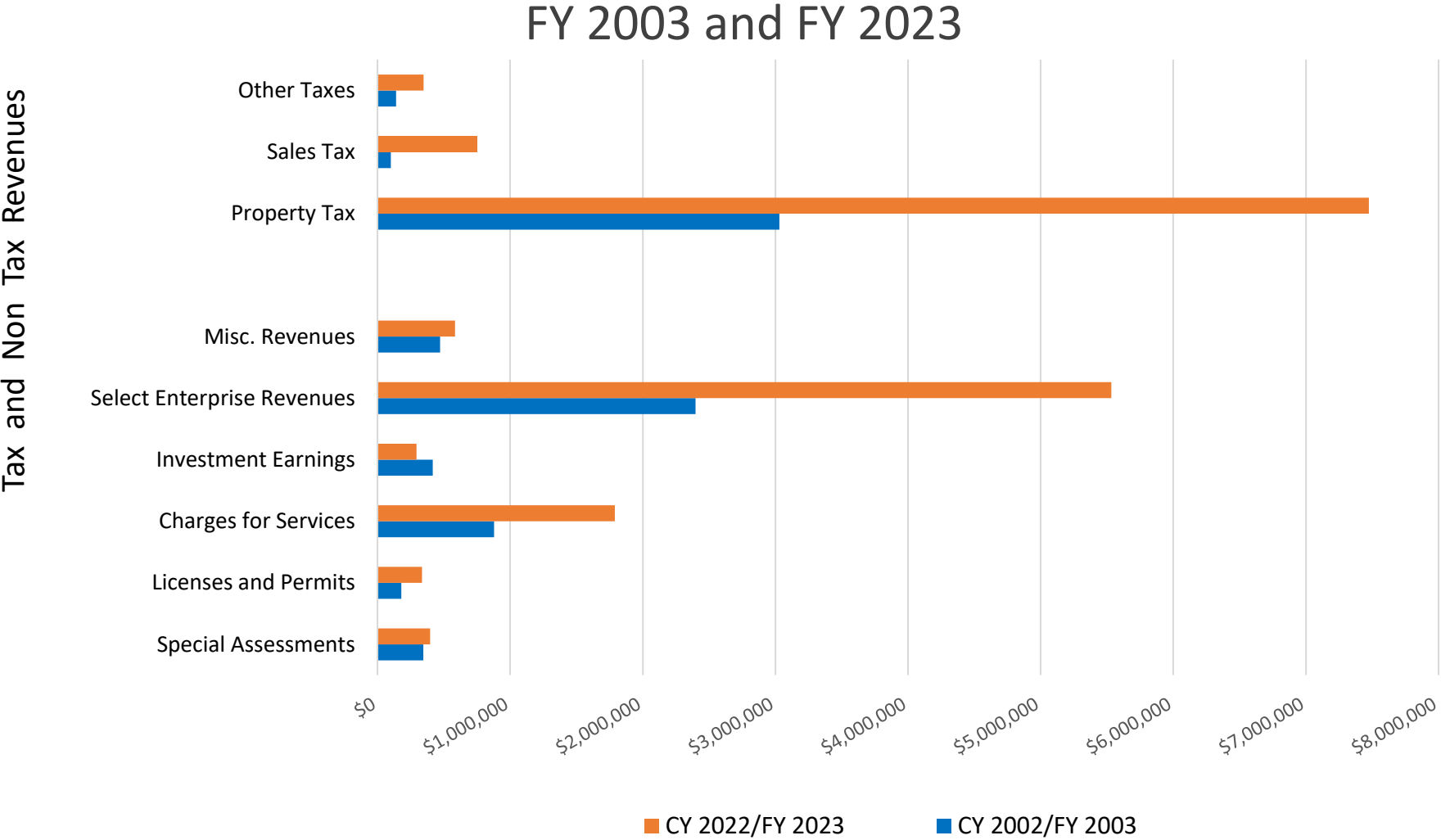
	A	B	C
	CY 2002 FY 2003	CY 2022 FY 2023	% Chg
A State General Fund¹			
Total Expenditures & Transfers	\$ 13,813,914	\$ 27,305,420	97.7%
Local Government Aid (LGA)*	\$ 564,991	\$ 564,398	-0.1%
LGA / Total GF Expenditures & Transfers	4.1%	2.1%	
B Local Non-School Revenues²			
Tax Revenues			
Property Tax	\$ 3,029,921	\$ 7,474,728	146.7%
Sales Tax	\$ 100,777	\$ 750,041	644.3%
Other Taxes	\$ 139,272	\$ 346,221	148.6%
Subtotal Local Tax Revenues	\$ 3,269,970	\$ 8,570,990	162.1%

1 Source: MMB/Dept of Finance general fund forecast reports, End of Session, 2002 and 2022.

2 Source: MMB/Dept of Finance Price of Government Report, May 2002 and November 2022.

Local property tax revenues are received by counties, cities and other local government entities. Local sales taxes include general use, transportation, motor vehicle retail sales, food & beverage, local lodging and other taxes

20 Years of Local Nonschool Revenues



Payment In Lieu of Tax (PILT)

Current Law PILT (\$41.09 million FY 25)

Land Type	Payment Amount	Acres
Acquired Natural Resources Land	\$5.133/acre; or 0.75% x value	1,023,443 (12%)
Transportation Wetland	\$5.133/acre; or 0.75% x value	1,825 (0%)
Wildlife Management Land	\$5.133/acre; or 0.75% x value	497,253 (6%)
Military Refuge Land	\$2.567/acre	50,626 (1%)
Land Utilization Project Land	\$5.133/acre	86,265 (1%)
County Administered Other Natural Resources Land	\$2/acre	2,784,971 (33%)
DNR Administered Other Natural Resources Land	\$2/acre	4,095,760 (48%)

House PILT Proposed Changes

- Increase from \$2 per acre to \$3 per acre payments for:
 - County Administered Other Natural Resources Land
 - DNR Administered Other Natural Resources Land
- Establish two additional PILT payment amounts:
 - \$0.18 per acre of PILT land for counties with PILT land comprising at least 25% of the total acreage in the county
 - \$0.08 per acre of PILT land for counties with PILT land comprising 10%-25% of the total acreage in the county

House PILT Proposed Changes

- Prevent the appraised value of acquired natural resources land from decreasing from one appraisal to the next
- Index to inflation PILT payment amounts for all natural resources lands
- Require the commissioner of revenue, in consultation with the Department of Natural Resources and counties, to produce a report on valuation methods used to value acreage and shoreline areas within other natural resources land. A copy of the report must be provided to the taxes committees by January 31, 2025.