

HOUSE RESEARCH

Bill Summary

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Overview

Permanently increases the LGA city aid base the city of Osseo by \$255,000 beginning with aid paid in 2002. The "city aid base" is the grandfathered portion of city LGA. This increase is funded from the general LGA appropriation which means that there is no state cost. However, the amount of 2002 LGA paid to all other cities would be slightly smaller than under current law.

Section

1 **City aid base.** Permanently increases the city aid base paid to a city under the LGA program by \$255,000 beginning in 2002 provided the city meets the following criteria:

- the net tax capacity of the city is less than \$870 per capita;
- its 1999 population is greater than 2,500;
- its population declined by more than two percent between 1989 and 1999;
- its 2000 net levy was more than \$250 per capita; and
- it 2001 LGA amount before reductions for state costs and TIF was \$57 per capita.

The city's maximum allowed LGA increase in 2002 is also increased by \$255,000 in 2002 to accommodate the city aid base increase. The only city that meets this criteria is Osseo.