

HOUSE RESEARCH

Bill Summary

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Overview

Permanently increases the LGA city aid base the city of Falcon Heights by \$25,000 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 \$25,000 beginning in 2002 provided the city meets the following criteria:
 - it has a population of at least 5,000;
 - it is located in the seven county metropolitan area;
 - the value of tax exempt property in the city exceeds \$500 per capita; and
 - the ratio of taxable property to tax exempt property in the city, as measured by market value is greater than 0.70.

The city's maximum allowed LGA increase in 2002 is also increased by \$25,000 in 2002 to accommodate the city aid base increase. The only city that meets this criteria is Falcon Heights.