

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 172

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Version: As Introduced

Authors: Lenczewski and Abrams

Subject: Reduces the grandfathered portion of LGA as the LGA appropriation increases

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Overview

This bill provides that the amount of city aid base (the grandfathered portion of city LGA) is reduced by \$1 for every \$1 increase in the total LGA appropriation. The money that is removed from the total city aid base is redistributed under the formula portion of LGA. The cut to each city's aid base is proportional. This reinstates a provision of the city LGA program that was enacted as part of the 1993 LGA reform, but which was repealed in 1994 before it took effect.

Section

- 1** **Base reduction ratio.** States that the ratio used in calculating the reduction in city aid base is equal to the ratio of (1) the dollar increase in the LGA appropriation since 2003 to (2) the total city aid base (grandfathered aid) for all cities.
- 2** **City aid distribution.** States that the amount of total LGA a city gets in each year is equal to the sum of (1) its aid under the LGA formula, and (2) its grandfathered aid, after reduction by the ratio calculated in section 1. Effective beginning with aids payable in 2004.