

HOUSE RESEARCH

Bill Summary

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Provides a starting point for LGA calculations for newly incorporated cities equal to \$10 per capita. The current LGA formula assumes that a city will get its formula LGA amount from the previous year plus an amount equal to a percent of the gap between what it received in the previous year and what the formula calculates as the city's total need. Currently when a town incorporates as a city its formula aid for the previous year is set equal to zero.

Effective beginning with aids payable in 2017.

The city of Rice Lake is the only newly incorporated city for Pay 2017 LGA purposes. The bill will increase the projected Pay 2017 LGA for Rice Lake from \$5,653 to \$46,314. The amount of the increase in LGA paid to every other city in Pay 2017 will change from 0.447 percent to 0.434 percent of the gap between its previous year aid and Pay 2017 projected unmet need.