

# H.F. 1102

With the author's amendment (H1102A1)

**Subject** Change the city LGA program

**Authors** Lislegard and others

**Analyst** Pat Dalton

**Date** March 7, 2019

## Overview

The bill increases the LGA appropriation beginning with aids payable in 2020 by about \$30.6 million. The new appropriation amount is equal to the amount appropriated for city LGA in calendar year 2002—the year with the highest appropriation for this program.

It also inflates all the coefficients used to calculate large and medium city “need” in the current formulas by roughly 7.8 percent. The coefficients and cap for the small city need formula are also adjusted but not by a standard amount. Changes in aid are based on a city’s “unmet need” (the difference between (1) its need per capita multiplied by its population, and (2) its tax base multiplied by the average city tax rate). The change in the coefficients increases all cities’ “need” which moves some cities back onto the LGA formula and slightly increases the percent of the new aid going to cities with “unmet need” close to zero under the current formula.

Effective beginning with aids payable in 2020.

## Summary

Section	Description
1	<b>City revenue need.</b> Increases all the coefficients used in the small, medium, and large city need formulas by roughly 7.8 percent.
2	<b>Cities (appropriation).</b> Increases the total city LGA appropriation from \$534,398,012 to \$564,990,952 for aids payable in 2020 and future years.