

Subject Modifies the city LGA program and increases the appropriation

Authors Hertaus and others

Analyst Pat Dalton

Date March 8, 2019

Overview

The bill modifies the city LGA program as follows:

- Increases the city LGA appropriation beginning with aids payable in 2020 to \$30,990,952.
- Dedicates 2 percent of the total city LGA appropriation to an alternative per capita aid to cities that receive zero aid under the general LGA formula. The alternative aid, which is capped at \$200,000 to any city, is equal to:
 - a base amount of the lesser of \$40 per capita or \$60,000, plus
 - a per capita amount set to spend the entire 2 percent of the appropriation.
- All cities on the formula will also have a new minimum aid amount equal to what they would get under the alternative per capita aid formula.

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. Under this program all cities will get some LGA and cities getting a minimal amount under the current formula are guaranteed to get a minimum aid equal to the calculation under the alternative per capita aid.

Effective beginning with aids payable in 2020.

Summary

Section	Description
1	City formula aid. Changes a cross-reference to ensure the total appropriation for city LGA is distributed.

Section	Description
2	<p>Preliminary city aid distribution.</p> <p>States that a city that receives zero aid under the general formula is eligible for alternative per capita aid under section 3.</p>
3	<p>Alternative per capita aid.</p> <p>The alternative aid, which is capped at \$200,000 to any city, is equal to:</p> <ul style="list-style-type: none">• a base amount of the lesser of \$40 per capita or \$60,000, plus• a per capita amount set to spend the entire 2 percent of the appropriation.
4	<p>Final city aid distribution.</p> <p>States that a city's final LGA appropriation is equal to the greater of (1) what it would get under the general formula or (2) the alternative per capita aid formula. This increases aid to cities that receive minimal amounts under the general formula to the amount that they would get if they were off the formula and eligible for the alternative aid under section 3.</p>
5	<p>Cities (appropriation).</p> <p>Increases the city LGA appropriation beginning with aids payable in 2020 to \$564,990,952. Also requires that 2 percent of the total appropriation in any year be used to fund the alternative aid per capita formula in section 3.</p>



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155