

Aid Losses to First Class Cities under HF 984 Property Tax Division Report

Basic provision: Beginning with aids payable in 2016, limits aid payments to first class cities to a per capita amount equal to 112.5% of the average per capita aid payment to all other cities for that year. The average per capita LGA payment to all cities, except first class cities, is \$96.14 for aids payable in 2016. 112.5% of that is \$108.16 per capita

There are only four first class cities in the state. The table below shows the aid reductions for aids payable in 2015 and 2016 to those cities.

Additional cut for 2016 only: The city of Minneapolis receives an additional LGA for aids payable in 2016 only equal to \$6.364 million. This cut is offset by the city being allowed to keep \$6.364 million of its city sales tax revenues in FY 2016 and 2017 that would otherwise go the sports facility authority. The city may deposit this additional sales tax revenue in its general fund and use for any governmental purpose.

	Minneapolis	St. Paul	Duluth	Rochester
Pay 2016 Aid Cut				
2013 Population	400,938	296,542	86,139	110,393
2016 LGA (current law)	\$77,805,298	\$62,337,755	\$29,264,115	\$7,190,914
Per Capita LGA under current law	\$194.06	\$210.22	\$339.73	\$65.14
2016 LGA after maximum cap	\$43,364,996	\$32,073,644	\$9,316,696	\$7,190,914
2016 LGA after additional LGA cut to Minneapolis	\$37,000,996	---	---	---
2016 LGA loss due to first class city cap	\$34,440,302	\$30,264,111	\$19,947,419	\$0
2016 only additional LGA loss to Minneapolis	\$6,364,000	---	---	---
Total 2016 LGA loss	\$40,804,302	\$30,264,111	\$19,947,419	\$0

House Research Department
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