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County Program Aid is a program that distributes aid to counties based on property tax base, population, and other factors.

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Prior to 2004, property tax aid to counties was distributed under a number of different programs. Beginning in 2004, the legislature consolidated these aid programs into one general aid program, called county program aid (CPA).

CPA is allocated by two formulas, need aid and tax-base equalization aid. From 2005 through 2017, the total amounts distributed under the two different formulas were roughly equal; however, beginning in 2018 the amount distributed through tax-base equalization aid is approximately 25 percent greater than the amount distributed through need aid. The table on the next page shows how a county's aid is calculated under each formula.

## **County program aid amounts have changed over time**

For 2008 to 2011, county program aid payments were reduced due to state budgetary conditions. The total appropriation was permanently reduced by approximately \$34 million in 2010 and reduced by another \$32 million in 2011. By 2014, increases in the appropriation returned county program aid payments to where they were prior to these reductions. In 2019, the total aid amount was increased by \$26 million for aids paid in 2020 and by an additional \$4 million for aids paid in 2021. In 2023, the total aid amount was increased by \$80 million, bringing the total annual appropriation to \$344,668,444 beginning with aids paid in 2024.

## **Other program changes**

In 2017, the legislature instituted a guarantee that a county's tax-base equalization aid could not be less than 95 percent of its tax-base equalization aid in the previous year, or 0.27 percent of the total statewide appropriation for tax-base equalization aid, whichever is greater. This was in response to significant reductions in tax-base equalization aid in many rural counties due to rapid growth in agricultural property values.

In 2023, the legislature updated the crime measure used in the aid formula. The FBI and Bureau of Criminal Apprehension stopped classifying crimes as "Part I" or "Part II," instead classifying them as "Group A" or "Group B" offenses. The legislature set Group A offenses as the new crime measure in the county program aid formula, replacing Part I crimes. Group A offenses include all crimes that had previously been classified as Part I, plus additional types of serious offenses.

### Calculation of County Program Aid

Need Aid	Tax-base Equalization Aid
<p><b>Share of Appropriation (after reductions):</b>                      \$103.4 million (CY 2018)                      \$103.3 million (CY 2019)                      \$116.3 million (CY 2020)                      \$118.3 million (CY 2021)                      \$118.4 million (CY 2022)                      \$118.7 million (CY 2023)                      \$153.9 million (CY 2024)</p> <p><b>Reductions from the appropriation:</b> \$500,000 is annually transferred to the Board of Public Defense for court-ordered counsel and public defense costs</p> <p><b>Factors used in the formula:</b></p> <ul style="list-style-type: none"> <li>▪ <b>age-adjusted population</b>, which ranges from 80% to 180% of the county’s actual population, is based on the percentage of the county’s population over age 65, compared to the statewide average</li> <li>▪ <b>average monthly number of households receiving Supplemental Nutrition Assistance Program (SNAP) benefits</b> in the county over the last three years</li> <li>▪ <b>average number of Group A offenses</b> reported in the county over the last three years (These are the most serious crimes)</li> </ul> <p><b>The formula:</b></p> <ul style="list-style-type: none"> <li>▪ 40% of the appropriation is distributed to each county based on its relative share of the total age-adjusted population in the state</li> <li>▪ 40% of the appropriation is distributed to each county based on its relative share of the total average monthly number of households receiving SNAP benefits in the state</li> <li>▪ 20% of the appropriation is distributed to each county based on its relative share of the average number of Group A offenses reported in the state</li> </ul>	<p><b>Share of Appropriation (after reductions):</b>                      \$130.7 million (CY 2018)                      \$130.7 million (CY 2019)                      \$143.7 million (CY 2020)                      \$145.7 million (CY 2021)                      \$145.7 million (CY 2022)                      \$145.7 million (CY 2023)                      \$190.3 million (CY 2024)</p> <p><b>Reduction from the appropriation:</b> \$207,000 is annually paid to the Legislative Budget Office and \$7,000 is annually paid to the commissioner of education for the preparation of local impact notes</p> <p><b>Tax-base equalization factor used in the formula:</b>  <b>Factor = N</b> times (\$190* x population - 9% of the county adjusted net tax capacity)  <b>where N equals:</b></p> <ul style="list-style-type: none"> <li>▪ 3 if the county population is less than 10,000</li> <li>▪ 2 if the county’s population is at least 10,000 but less than 12,500</li> <li>▪ 1 if the county’s population is at least 12,500 but less than 500,000</li> <li>▪ 0.25 if the county’s population is 500,000 or more</li> </ul> <p>*Each year, this number is increased by the ratio of the statewide adjusted net tax capacity (ANTC) per capita to the statewide ANTC per capita in the 2016 assessment year. For calendar year 2024, the value is \$240.</p> <p><b>The formula:</b></p> <ul style="list-style-type: none"> <li>▪ 100% of the appropriation is distributed based on each county’s relative share of the sum of the tax-base equalization factors for all the counties in the state, provided that no county’s aid may be less than the greater of (a) 95% of its aid in the previous year, or (b) 0.27% of the statewide appropriation</li> </ul>



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