

HOUSE RESEARCH

Bill Summary

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Authors: Meslow

Subject: Extra aid payment to the city of White Bear Lake

Analyst: Pat Dalton, 651-296-7434

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The bill provides for the city of White Bear Lake to get an additional \$52,482 with their July and December 2005 LGA payments - for a total of \$104,964.

In August of 2003, the Department of Revenue certified a Pay 2004 LGA amount of \$132,853 for the city of White Bear Lake. In September, the city notified the Department that an error had been made in the city's estimated population. Out-state population estimates must be challenged by July 1 to be corrected for any year but there currently are no drop-dead dates for challenging metropolitan council estimates. After correcting the population estimate, the city's certified LGA should have been \$382,424.

However, the city was subject to levy limits for taxes payable in 2004 and the additional LGA would have reduced its Pay 2004 levy limit to an amount \$104,964 less than the levy amount that the city certified. The Department of Revenue paid only \$277,460 in 2004 LGA - to keep the sum of the city's LGA and limited levy to the amount allowed under levy limits. This bill pays the city the difference between the corrected 2004 LGA amount and the amount of LGA actually paid in 2004.