

House Research Department

4/11/03

Run: 04HF1502

2004 City Aid and Credit Cuts Governor vs. H.F. 1502

The attached run compares the 2004 estimated LGA and market value credits with the amounts that would be paid under the governor's budget plan and under H.F. 1502. The reductions shown here reflect certified levies, the baseline 2004 city LGA projection and the latest estimates of the city share of market value credits. Earlier runs by the Department of Revenue were based on truth-in-taxation levies and preliminary market value credit estimates and 2003 LGA.

Under H.F. 1502, the city shares of MV credits are eliminated. In addition, 2004 city LGA is reduced by \$10.5 million from the estimated payment under current law. Each city's LGA is cut proportionately based on their 2003 revenue base (levy plus aid). The total CGMC cut in 2003 is equal to \$96.5 million. The cuts in 2003 under the governor's proposal equal \$298.3 million.

The columns contain the following information:

- **Column 1:** Total estimated 2004 LGA plus homestead and agricultural market value (MV) credits under current law
- **Column 2:** 2004 LGA under the governor's plan
- **Column 3:** 2004 MV credits under the governor's plan
- **Column 4:** The total loss in 2004 aids and credits under the governor's plan
- **Column 5:** 2004 LGA under H.F. 1502
- **Column 6:** 2004 MV credits under H.F. 1502
- **Column 7:** The total loss in 2004 aids and credits H.F. 1502
-

For further information contact: Pat Dalton 651-296-7434

Note: The cities are grouped by type for comparison purposes. The groups are different from the ones used by House Research for the last eight years. The new groups were developed by the League of Minnesota cities (LMC) in 2002 using 2000 census data and are based on a methodology used by House Research in developing previous grouping schemes. For information on the groups you can contact Eric Willette at the LMC.