

County program aid consists of “need aid” and “tax-base equalization aid”

Prior to calendar year 2004, counties received property tax aid under a number of different programs. Beginning in 2004, the aid programs were consolidated into one general aid program, called county program aid (CPA).

From calendar year 2005 on, CPA has been allocated by two formulas, need aid and tax-base equalization aid. From 2005 through 2017, the 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.

Counties receiving less aid under the post-2004 formula received transition aid

Seven counties whose relative share of the total CPA formula allocation in calendar year 2005 was significantly less than their share of 2004 program aid qualified for “transition aid.” Each county’s transition aid amount was permanently fixed at one-third of the amount it received in 2005. This provision has been repealed and the last transition aid payments were made in 2017.

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.

Program change enacted in 2017

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 recent significant reductions in tax-base equalization aid in many rural counties due to rapid growth in agricultural property values.

Calculation of County Program Aid

Need Aid	Tax-base Equalization Aid
<p>Share of Appropriation: \$104.8 million (CY 2015) \$103.4 million (CY 2016) \$103.2 million (CY 2017) \$103.4 million (CY 2018) \$103.3 million (CY 2019) \$116.3 million (CY 2020) \$118.3 million (CY 2021)</p> <p>Reductions from the appropriation: \$500,000 annually for court-ordered counsel and public defense costs</p> <p>Factors used in the formula:</p> <ul style="list-style-type: none"> ▪ age-adjusted population, which ranges from 80% to 180% of the county’s actual population based on the percentage of the county’s population over 65 years, compared to the statewide average ▪ average monthly number of households receiving food stamps in the county over the last three years ▪ average number of Part I crimes reported in the county over the last three years (These are the most serious crimes) <p>The formula:</p> <ul style="list-style-type: none"> ▪ 40% of the appropriation is distributed to each county based on its relative share of the total age-adjusted population in the state ▪ 40% of the appropriation is distributed to each county based on its relative share of the total average monthly number of households receiving food stamps in the state ▪ 20% of the appropriation is distributed to each county based on its relative share of the average number of Part I crimes reported in the state 	<p>Share of Appropriation: \$105.2 million (CY 2015) \$105.2 million (CY 2016) \$105.2 million (CY 2017) \$130.7 million (CY 2018) \$130.7 million (CY 2019) \$143.7 million (CY 2020) \$145.7 million (CY 2021)</p> <p>Reduction from the appropriation: up to \$214,000 annually to pay for the preparation of local impact notes</p> <p>Tax-base equalization factor used in the formula: Factor = N times (\$190* x population - 9.45% of the county adjusted net tax capacity) where N equals:</p> <ul style="list-style-type: none"> ▪ 3 if the county population is less than 10,000 ▪ 2 if the county’s population is at least 10,000 but less than 12,500 ▪ 1 if the county’s population is at least 12,500 but less than 500,000 ▪ 0.25 if the county’s population is 500,000 or more <p>*Each year, this number is increased by the ratio of the statewide ANTC per capita to the statewide ANTC per capita in the 2016 assessment year</p> <p>The formula:</p> <ul style="list-style-type: none"> ▪ 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 percent of its aid in the previous year, or (b) 0.27 percent of the statewide appropriation



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