

# MINNESOTA • REVENUE

## PROPERTY TAX City Aid Base Increase

March 9, 2007

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 1372 (Clark) / H.F. 1746 (Gottwalt)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2008</u></b>	<b><u>F.Y. 2009</u></b>	<b><u>F.Y. 2010</u></b>	<b><u>F.Y. 2011</u></b>
General Fund	\$0	\$0	\$0	\$0

Effective for aids payable in 2008 and thereafter.

### EXPLANATION OF THE BILL

For the purpose of calculating local government aid, the bill would increase the city aid base by \$140,000 in calendar year 2008 and thereafter for a city, provided that:

- the city's population in 2007 was less than 3,000; and
- the city's boundaries as of 2007 were formed by the consolidation of two cities and one township in 2002.

The maximum aid the city may receive is also increased by \$140,000 in CY 2008 only.

### REVENUE ANALYSIS DETAIL

- There is no state cost associated with this change in the aid base because total aid is set to a fixed appropriation level.
- The only city eligible for this aid base increase is the city of Rockville in Stearns County.
- The increase in aid base would shift aid to the city of Rockville and away from other cities receiving local government aid.

**Number of Taxpayers:** 854 cities eligible to receive local government aid.

Source: Minnesota Department of Revenue  
Tax Research Division  
[http://www.taxes.state.mn.us/taxes/legal\\_policy](http://www.taxes.state.mn.us/taxes/legal_policy)

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