

S.F. No. 128 – Establishing a sparsity adjustment in the LGA formula (as proposed to be amended by the A-2 amendment)

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Section 1. City revenue need. Modifies the calculation of city “revenue need” under the LGA formula by adding a sparsity adjustment. The sparsity adjustment will increase the calculated revenue need for some cities based on population and population density. As a result, an estimated ten cities will have increased LGA aid amounts in 2026. Effective beginning with aids payable in calendar year 2026 and thereafter.

Section 2. Sparsity adjustment. Sets the sparsity adjustment at 200 for 1) a city with a population of 10,000 or more and an average population density of less than 150 per square mile and 2) a city with a population less than 10,000 and an average population density of less than 30 per square mile. Effective beginning with aids payable in calendar year 2026 and thereafter.

Section 3. Cities. Sets the total city LGA aid payable at \$644,423,512 beginning with aids payable in calendar year 2026. This is a \$25,500 increase from aids payable in calendar year 2025. Effective beginning with aids payable in calendar year 2026 and thereafter.

