

**MUNICIPAL AID (0076)
FISCAL YEAR 2011**

I) AGENCY SUMMARY & REVENUE SOURCES

Mission

Act 750 of 1973 created the Municipal Aid Fund in order to assist cities with the increasing costs of providing services.

Total Appropriation

The total appropriation for fiscal year 2011 is \$151,506,526.

Funding

The appropriations are funded with general revenues, and with special revenues derived from highway revenues (motor vehicle licenses and registration, motor fuel taxes, and special motor fuel taxes.)

II) SIGNIFICANT CHANGES OVER FY2010

None

III) ADDITIONAL POSITIONS

No positions are authorized for these appropriations.

IV) SPECIAL LANGUAGE

Loans. Allows the provision of a loan to the County Aid and Municipal Aid funds from the Budget Stabilization Trust Fund on July 1 of each fiscal year of the biennial period to assist cities and counties with cash flow needs early in the state fiscal year. It also provides that the loan will be repaid in equal installments from general revenue distributions each month during the fiscal year for which the loan was made. It stipulates that the amount of each loan shall be \$3.5 million to the Municipal Aid Fund and \$1.9 million to the County Aid Fund, or so much as may be available in the Budget Stabilization Trust Fund.

Carry Forward. Allows carry forward authority of appropriation and funds for County Aid and Municipal Aid line items at the close of each fiscal year.

Distribution of Funds. \$4 million to cities and counties from Property Tax Relief Trust Fund shall not be distributed unless sufficient funds are available.