

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 401

DATE: March 15, 1999

Version: As introduced

Authors: Mulder

Subject: Exempting agricultural property from the general education levy

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Overview

HF 401 exempts all agricultural property from the general education levy, except for the house, garage and surrounding one acre of land. Effective taxes payable in 2000 and thereafter.

- 1 Agricultural land exemption.** Provides that the value of agricultural homestead and nonhomestead property, except for the house, garage and surrounding one acre of land, is to be excluded in calculating a school district's adjusted net tax capacity.
- 2 Computation of tax rates.** Provides that the general education portion of a school district's tax rate shall not be levied against agricultural property, except for the house, garage and surrounding one acre of land.
- 3 General education levy reduction.** Provides for an \$80.3 million increase in state school aid in fiscal year 2001 to make up for the tax capacity exemption in section 1.
- 4 Effective date.** Provides that the act is effective for taxes payable in 2000 and subsequent years.