

HOUSE RESEARCH

Bill Summary

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Section

- 1 **Class 4.** Reduces the class rate on apartment property (4 or more units) from 2.4% to 2%. Also eliminates the special 2.15% classification rate for apartments in small cities (under 5,000 population) outside the metropolitan area, since the proposed class rate is lower. Effective for taxes payable in 2002 and thereafter.
- 2 **Homestead and agricultural credit aid (HACA).** Provides for increased HACA to all taxing jurisdictions to compensate for the loss of tax base under the proposal, and to prevent tax shifting onto other types of property.