

HOUSE RESEARCH

Bill Summary

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Overview

Increases debt service equalization aid by substantially increasing the equalization factor, and indexing the equalization factor for inflation.

Section

- 1 Debt service equalization revenue.** Eliminates the second tier of debt service equalization revenue, so that all debt service revenue over 15 percent of adjusted net tax capacity is equalized at the same rate. Under current law there are two tiers of debt service equalization revenue; the second tier is defined as all debt service revenue in excess of the amount raised by a tax rate of 25 percent of adjusted net tax capacity, and the first tier as the revenue in excess of the amount raised by a tax rate of 15 percent of adjusted net tax capacity, minus the second tier debt service equalization rate.
- 2 Equalized debt service levy.** Sets the debt service equalization factor at the state average adjusted net tax capacity per pupil (approximately \$6,900). Under current law, first tier equalization revenue is equalized at \$3,200 per pupil, and second tier equalization revenue is equalized at \$8,000 per pupil.
- 3 Debt service equalizing factor.** Defines debt service equalizing factor as the state average adjusted net tax capacity per pupil.