

Section

- capacity or the alternative net tax capacity specified in section 0 prior to the bond election.
- 2 Debt service equalization revenue.** Provides that a district's debt service equalization aid and levy will not change regardless of whether the school board decides to spread the levy on net tax capacity or the alternative tax base specified in section 0.
- 3 Debt service levy.** Allocates a school district's total debt service equalization aid and debt service levy proportionately between "regular" net tax capacity and the alternative tax base specified in section 0 based on the amount of revenues derived from bonds levied against the two respective tax bases.
- 4 Information required.** Requires school boards to include in the information submitted to the commissioner of education as a part of the review and comment process a statement as to whether the new facility's debt service levy will be spread against net tax capacity or the alternative tax base specified in section 0.
- 5 Alternative net tax capacity.** Creates a new hybrid tax base called alternative net tax capacity that is the same as "regular" net tax capacity with the following exceptions:
- agricultural land tax capacity is 25 percent of "regular" tax capacity,
 - noncommercial seasonal recreational property has a tax capacity that is 75 percent of its regular tax capacity,
 - apartments and residential nonhomestead property has a tax capacity this is 80 percent of its regular tax capacity, and
 - commercial/industrial property has a class rate of 1.25 percent on the value up to \$150,000 and 1.5 percent on the value over \$150,000, compared to rates of 1.5% and 2% (respectively) under "regular" tax capacity.

**Contribution of major property classes to various tax bases
(relative to a first tier residential homestead rate of 1.0)**

	Referendum Market Value	Net Tax Capacity	H.F. 1414 Alternative Net Tax Capacity
Residential homestead (including Ag HGA)	1.0	1.0/1.25	1.0/1.25
Agricultural homestead land	0	0.55 / 1.0	0.14 / 0.25
Agricultural nonhomestead	0	1.0	0.25
Residential nonhomestead	1.0	1.0/1.25	1.0/1.25
Apartments	1.0	1.25	1.0
Seasonal recreational (cabins)	0	1.0/1.25	0.75
Commercial/Industrial	1.0	1.5 / 2.0	1.25 / 1.5