Overview

Extends the acreage limit for the second tier agricultural homestead class rate from 320 acres to 360 acres.

Section

1. **Class 2.** Extends the acreage threshold for the second tier agricultural homestead class rate from 320 acres to 360 acres. With the change, agricultural homesteads would be subject to the following class rates (excluding the house, garage and one acre of land):
   - The first $115,000 of market value: 0.35%
   - Value over $115,000, up to 360 acres: 0.8%
   - Value over $115,000, over 360 acres: 1.25%

2. **Homestead and agricultural credit aid (HACA).** Provides for additional HACA payments to offset the tax shifting that would otherwise occur as a result of the class rate change in section 1. Allows the commissioner of revenue to use estimated data to determine the HACA amounts, since actual data on farm homestead value up to 360 acres is not available.

3. **Effective date.** Provides that the act is effective for taxes payable in 2000 and subsequent years.