

IOWA COUNTY ORDINANCE NO. 25

PARTIAL PROPERTY TAX EXEMPTION FOR INDUSTRIAL PROPERTY

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SECTION 1. Definitions.

ACTUAL VALUE ADDED: The actual value added as of the first year for which the exemption is received, except actual value added by improvements to machinery and equipment means the actual value as determined by the county assessor as of January 1 of each year for which the exemption is received.

DISTRIBUTION CENTER: A building or storage used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. "Distribution center" does not mean a building or structure used primarily for any of the following purposes: to store raw agricultural products, by a manufacturer to store goods to be used in the manufacturing process, for the storage of petroleum products or for the retail sale of goods.

NEW CONSTRUCTION: New buildings and structures and new buildings and structures which are constructed as additions to existing buildings and structures. "New construction" does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products, which determination shall receive prior approval from the Board of Supervisors of the County.

NEW MACHINERY AND EQUIPMENT: New machinery and equipment assessed as real estate pursuant to the code of Iowa, as amended, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

RESEARCH SERVICE FACILITIES: A building or group of buildings devoted primarily to research and development activities, including but not limited to the design and production or manufacture of prototype products for experimental use and corporate research services which do not have a primary purpose of providing on site services to the public.

WAREHOUSE: A building or structure used as a public warehouse for the storage of goods pursuant to the code of Iowa, as amended, except it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail.

SECTION 2. Exemption Established. There is hereby established a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research service facilities, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to the code of Iowa, as amended.

SECTION 3. Term and Amount of Exemption; Limitations.

A. Term and Amount of Exemption:

1. The actual value added to industrial real estate for the reasons specified in Section 2 of this ordinance is eligible to receive a partial exemption from taxation for a period of five (5) years.

For the first year	--	75 percent
For the second year	--	60 percent
For the third year	--	45 percent
For the fourth year	--	30 percent
For the fifth year	--	15 percent

2. However, if property ceases to be classified as industrial real estate or ceases to be used as a research service facility, warehouse or distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment years.

B. Limitations: The granting of the exemption under this chapter for new construction constituting complete replacement of an existing building or structure shall not result in the assessed value of the industrial real estate being reduced below the assessed value for the industrial real estate before the start of the new construction added.

SECTION 4. Application for Exemption. An application shall be filed with the county assessor for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the property owner by February 1 of the assessment year in which the value added is first assessed for taxation. Applications for exemption shall be made on forms prescribed by the state director of revenue and shall contain information pertaining to the nature of the improvement, its cost and other information deemed necessary by the state director of revenue or successor.

SECTION 5. Application for Prior Approval. A person may submit a proposal to the Board of Supervisors to receive prior approval for eligibility for tax exemption on new construction. The Board, by ordinance, may give its prior approval of a tax exemption for new construction. The ordinance may be enacted not less than thirty (30) days after a public hearing is held in accordance with the code of Iowa, as amended. Such prior approval shall not entitle the owner to exemption from taxation until the new construction has been completed and found by the county assessor to be qualified real estate. However, if the tax exemption for new construction is not approved, the person may submit an amended proposal to the Board of Supervisors to approve or reject.

SECTION 6. Dual Exemptions Prohibited. A property tax exemption under this chapter shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.

SECTION 7. Repeal of Exemption Provisions. When, in the opinion of the Board of Supervisors of Iowa County, continuation of the exemption granted by this chapter ceases to be of benefit to the County, the Board of Supervisors may repeal this chapter, but all existing exemptions shall continue until their expiration.

SECTION 8. When Effective. This ordinance shall be in effect after its final passage, approval and publication as provided by law.

Effective Date: July 20, 2010