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3.04.010 Established. The city council, by this chapter, provides for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to Section 427A.1(1)(e) of the Code of Iowa. (Ord. 249 §1, 1985).

3.04.020 Duration: Under this chapter the partial exemption from taxation shall be available for a period of five years. (Ord. 249 §1, 1985).

3.04.030 Definitions. For the purposes of this chapter, the following words shall have the meanings set out in this section:

A. "Actual value added" means the actual value added as of the first year for which the exemption is received, except that actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January 1st of each year for which the exemption is received.

B. "Distribution center" means a building or structure 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

to store raw agricultural products, used primarily by a manufacturer to store goods to be used in the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.

C. "New construction" means new buildings and structures and includes 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 city council upon the recommendation of the Iowa Development Commission. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to Section 427.1(1)(e) of the Code of Iowa, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

D. "Warehouse" means a building or structure used as a public warehouse for the storage of goods pursuant to Chapter 554, Article 7, except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail. (Ord. 249 §1, 1985).

3.04.040 Amounts eligible for exemption--Exception.

A. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

1. For the first year, seventy-five percent;
2. For the second year, sixty percent;
3. For the third year, forty-five percent;
4. For the fourth year, thirty percent;
5. For the fifth year, fifteen percent.

B. The granting of the exemption 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 of the industrial real estate before the start of the new construction added. (Ord. 249 §1, 1985).

3.04.050 Application procedure. A. An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February 1st 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 director of revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the director of revenue.

B. A person may submit a proposal to the city council to receive prior approval for eligibility for a tax exemption on new construction. The city council, by ordinance, may give its prior approval of a tax exemption for new construction if the new construction is in conformance with the zoning plans for the city. Such prior approval shall not entitle the owner to exemption from taxation until the new construction has been completed and found 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 city council to approve or reject. (Ord. 249 §1, 1985).

3.04.060 Authority to repeal. When in the opinion of the city council continuation of the exemption granted by this chapter ceases to be of benefit to the city, the city council may repeal this chapter, but all existing exemptions shall continue until their expiration. (Ord. 249 §1, 1985).

3.04.070 Exemption denied when. 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. (Ord. 249 §1, 1985).