

TITLE I – POLICY AND ADMINISTRATION

CHAPTER 5

INDUSTRIAL PROPERTY TAX EXEMPTIONS

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5.01 PURPOSE. The purpose of this chapter is to provide for a partial exemption from property taxation of the actual value added to industrial real estate and cattle facilities.

5.02 DEFINITIONS. For use in this chapter the following terms are defined:

1. “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 1 of each year for which the exemption is received.
2. “Cattle Facility” or “Cattle Facilities” means owner-operated cattle facilities, including small or medium sized feedlots but not including slaughter facilities. A qualifying cattle facility includes either a facility by new construction or by retrofitting of existing facilities.
3. “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.
4. “New construction” means new buildings and structures, which are constructed as additions to existing buildings and structures. The term 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 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 competitively to manufacture or process those products, which determination shall receive prior approval from the board of Supervisors upon the recommendation of the Iowa Department of Economic Development.

5. “New Machinery and Equipment” means new machinery and equipment assessed as real estate pursuant to Section 427A.1, Subsection 1, Paragraph “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.
6. “Research-service Facilities” means 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.
7. “Warehouse” means a building or structure used as a public warehouse for the storage of goods pursuant to Chapter 554, Article 7, of the Code of Iowa, 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.

5.03 PARTIAL EXEMPT. A partial exemption from property taxation of the actual value added to cattle facilities and 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 Section 427A.1, subsection 1, paragraph “e” of the Code of Iowa, shall be granted within unincorporated areas of the County upon proper application and pursuant to the terms of this chapter.

5.04 PERIOD OF PARTIAL EXEMPTION. The actual value added to cattle facilities and to industrial real estate for the reasons specified in Section 5.02 hereof is eligible to receive a partial exemption from taxation for a period of five (5) years.

However, if property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center or cattle facility, the partial exemption for the value added shall not be allowed for subsequent assessment years. 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 (75%)
2. For the second year, sixty percent (60%)
3. For the third year, forty-five percent (45%)
4. For the fourth year, thirty percent (30%)
5. For the fifth year, fifteen percent (15%)

5.05 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 or cattle facility being reduced below the assessed value of the industrial real estate or cattle facility before the start of the new construction added.

5.06 APPLICATIONS. An application shall be filed for each project resulting in actual value added for which an exemption is claimed.

1. The owner of the property shall file an application for exemption with the Assessor by February 1 of the assessment year in which the value added is first assessed for taxation.
2. 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.

5.07 APPROVAL. A person may submit a proposal to the Board of Supervisors to receive prior approval for eligibility for a tax exemption on new construction. The Board of supervisors, 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 County. The prior approval shall also be subject to the hearing requirements of Section 427B.1 of the Code of Iowa. Prior approval does 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 Board of Supervisors to approve or reject.

5.08 EXEMPTION REPEALED. When in the opinion of the Board of Supervisors, continuation of the exemption granted by this chapter ceases to be of benefit to the County, the Board of Supervisors may repeal the ordinance codified herein, but all existing exemptions shall continue until their expiration.

5.09 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.

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