

Chapter 10 INDUSTRIAL PROPERTY TAX EXEMPTION

Sec. 10-1. Purpose.

The purpose of this chapter is to provide for and authorize partial property tax exemptions for industrial properties upon which improvements have been made.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-2. Definitions.

For use in this chapter the following terms are defined as follows:

New construction as referred to herein means new buildings and structures and includes new buildings and structure which are constructed as additions to existing buildings and structures.

New machinery and equipment means the exemption shall also apply to 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.

Reconstruction means 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 obsolescent 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 of the city upon the recommendation of the Iowa Development Commission.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-3. Partial exemption.

This chapter does hereby provide for a partial exemption from property taxation of the actual value added to industrial real estate by the construction of industrial real estate and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection (1), paragraph (3) of the Code of Iowa.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-4. Amount of exemption.

The actual value added to industrial real estate for the reasons specified in this chapter is eligible to receive a partial exemption from taxation for a period of five years. "Actual value added" as used in this chapter means the actual value added as of the first year for which the exemption is received, except that the actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January

first of each year for which the exemption is received. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

1. For the first year, 75 percent;
2. For the second year, 60 percent;
3. For the third year, 45 percent;
4. For the fourth year, 30 percent;
5. For the fifth year, 15 percent.

However, the granting of the exemption under this section for new construction constituting complete replace 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 new construction added.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-5. Duration.

The partial exemption shall be available until such time as this chapter is repealed by the city council of the city.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-6. Applications and proposals.

1. 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 first 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, cost or other information deemed necessary by the director of revenue.
2. A person may submit a written proposal to the city council of the city 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. The prior approval shall also be subject to the hearing requirements of this chapter. 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. No. 672, section 1, 6-8-81.)

Sec. 10-7. Repeal.

When the exemption granted by this chapter ceases to be a benefit to this city, the city council may repeal this chapter.

(Ord. No. 672, section 1, 6-8-81.)

Sec. 10-8. Limitation on tax exemption.

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. No. 672, section 1, 6-8-81.)

Sec. 10-9. Enactment.

This chapter may be enacted not less than 30 days after holding a public hearing in accordance with section 362.3 of the 1981 Code of Iowa.

(Ord. No. 672, section 1, 6-8-81.)