

TITLE IX - TAX EXEMPTION  
CHAPTER 1 - INDUSTRIAL CONSTRUCTION TAX EXEMPTION

9-1.01 PURPOSE.

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 and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to Section four hundred twenty-seven A point one (427A.1), subsection one (1), paragraph e, of the Iowa Code.

(Ord. 207, Sec. 2, 1982)

9-1.02 TIME LIMITATIONS.

Under this chapter the partial exemption from taxation as provided in Section 9-1.01 shall be available for a period of five years.

(Ord. 207, Sec. 3, 1982)

9-1.03 DEFINITIONS.

1. "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 re-fitting 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 four hundred twenty-seven A point 1 (427A.1), subsection one (1), paragraph e, of the Iowa Code unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operation statutes.

2. "Director of revenue" means the director of the Iowa State Department of Revenue.

3. "Actual value added" as used in this chapter means the actual value added as 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 first of each year for which the exemption is received.

(Ord. 207, Sec. 4, 1982)

#### 9-1.04 EXEMPTION SCHEDULE.

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%).

The granting of the exemption under this section 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. 207, Sec. 5, 1982)

#### 9-1.05 PROCEDURE.

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, its cost, and other information deemed necessary by the director of revenue.

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. 207, Sec. 6, 1982)

9-1.06 EXEMPTIONS MAY BE REPEALED.

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. 207, Sec. 7, 1982)

9-1.07 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.

(Ord. 207, Sec. 8, 1982)

9-1.08 EXEMPTION NOT RETROACTIVE.

This chapter shall not apply to any industrial construction commenced prior to the effective date of the ordinance, nor shall it apply to any industrial construction for which a building permit has been issued on the effective date of the ordinance codified in this chapter. This chapter shall not apply to new machinery and equipment that is otherwise eligible for the exemption granted herein which was ordered or purchased prior to the effective date of this chapter. The effective date of the ordinance codified in this chapter is February 16, 1982.

(Ord. 207, Sec. 9, 1982)

9-1.09 SEVERABILITY.

If any of the provisions of this chapter are for any reason illegal or void, then the lawful provisions of this

chapter, which are separable from said unlawful provisions, shall be and remain in full force and effect, the same as if the chapter contained no illegal or void provisions.

(Ord. 207, Sec. 10, 1982)