

TITLE II POLICY AND ADMINISTRATION

CHAPTER 18 INDUSTRIAL IMPROVEMENTS TAX EXEMPTION

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2-18-1 **PURPOSE.** The purpose of the Chapter is to provide for partial property tax for industrial property on which improvement have been made pursuant to the authority granted municipalities by the provisions of Chapter 427B, Iowa Code
(Ord. 502, Passed 1982)

2-18-2 **DEFINITIONS.** As used in this Chapter:

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 1st of each year for which the exemption is received.

2. “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 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 of the City Council upon the recommendation of the Iowa Development Commission.

3. “New machinery and equipment” means new machinery and equipment assessed as real estate pursuant to Section 427A.1, subsection (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 existing operational status.

(Ord. 502, Passed 1982)

2-18-3 **EXEMPTIONS GRANTED.** A partial exemption from taxation for the actual value added to industrial real estate shall be granted for new construction and new machinery and equipment, for the five eligible tax years upon proper application by the property owner to the Clinton County assessor under the provisions of this Chapter and the requirement of the Iowa Department of Revenue.

(Ord. 502, Passed 1982)

2-18-4 AMOUNT OF EXEMPTION.

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

- a. For the first year, seventy-five percent;
- b. For the second year, sixty percent;
- c. For the third year, forty-five percent;
- d. For the fourth year, thirty percent;
- e. For the fifth year, fifteen percent.
- f. After the fifth year there shall be no exemption.

2. The granting of the exemption hereunder 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. 502, Passed 1982)

2-18-5 APPLICATION 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 Clinton County Assessor by February first of the assessment year in which the value added is first assessed by taxation. Applications for exemption shall be made on forms prescribed by the Director of Iowa Department of Revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the Director of the Iowa Department of Revenue.

(Ord. 502, Passed 1982)

2-18-6 PRIOR APPROVAL OF CITY COUNCIL. A person may submit a proposal to the City Council for prior approval for eligibility for a tax exemption on new construction. Said proposal shall contain substantially the same information as required in Section 2-18-5. 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 and after public hearing as by law provided. Such prior approval shall not entitle the owner to said exemption 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. 502, Passed 1982)

2-18-7 EXEMPTIONS NOT AFFECTED BY REPEAL. This Chapter may be repealed by the City Council when in its opinion continuation of the exemption granted ceases to be a benefit to the

City, but all existing exemptions granted pursuant to these provisions shall continue in effect until their expiration.

(Ord. 502, Passed 1982)

2-18-8 OTHER EXEMPTIONS BAR GRANTING. 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. 502, Passed 1982)