

ORDINANCE NO. 7

ORDINANCE AUTHORIZING PARTIAL  
INDUSTRIAL PROPERTY TAX EXEMPTION

FILE NO. 002344  
FEE \_\_\_\_\_

BOOK 547 PAGE 434

BE IT RESOLVED, pursuant to authority granted the Page County Board of Supervisors by Chapter 427B of the 1987 Code of Iowa, that the Board hereby grants a partial exemption from property taxation of the actual value added to industrial real estate situated outside the corporate limits of any municipality in Page County, Iowa, by the new construction of industrial real estate, warehouses and/or distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to Section 427A.1(1)(e).

APR 27 PM 12:45  
LINDA PARROTT  
CLERK  
PAGE CO. RECORDER  
IOWA

SECTION 1. Purpose.

The purpose of this ordinance is to authorize partial property tax exemptions for industrial property on which improvements have been made, in accordance with the provisions of Chapter 427B, 1987 Code of Iowa.

SECTION 2. Definitions.

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 Board of Supervisors of Page County 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 427A.1, subsection 1, paragraph "e", unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

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.

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.

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.

SECTION 3. Partial Exemption Provided For.

The actual value added to industrial real estate for the reasons specified in the definitional section is eligible to receive a partial exemption from taxation for a period of five years. However, if property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment 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 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. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

- a. For the first year -- 75%
- b. For the second year -- 60%
- c. For the third year -- 45%
- d. For the fourth year -- 30%
- e. For the fifth year -- 15%

However, 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.

SECTION 4. Application for Exemption by Property Owner.

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 Page County Assessor by February 1 of the assessment year in which the value added is first assessed for taxation. Application for exemption shall be made on forms prescribed by the Iowa 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 Page County 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 Iowa Code. 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.

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SECTION 5. Repeal of Exemption.

When in the opinion of the Page County Board of Supervisors continuation of the exemption granted by this ordinance ceases to be of benefit to the County, the Board of Supervisors may repeal the ordinance authorized by Section 427B.1, but all existing exemptions shall continue until their expiration.

SECTION 6. Dual Exemption Prohibited.

A property tax exemption under this ordinance shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.

SECTION 7. When Effective.

This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed by the Page County Board of Supervisors on the 20<sup>th</sup> day of April, 1989.



Barrel D. Crittman  
Charles J. Tuttle  
Maurice A. Pears  
Page County Board of Supervisors

This Ordinance was passed by a unanimous vote at 11:00 a.m. on April 20, 1989, with all three (3) Supervisors voting.

This Ordinance will be published on Thursday, April 27, 1989, in The Clarinda Herald-Journal and becomes effective on that date.