

ORDINANCE NO. 28

AN ORDINANCE FOR DAVIS COUNTY, IOWA AND ENTITLED “DAVIS COUNTY INDUSTRIAL PROPERTY TAX EXEMPTION ORDINANCE”

Be it enacted by Davis County, Iowa:

PURPOSE

The purpose of this ordinance is to encourage economic development in Davis County, Iowa, by providing a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research service facilities, warehouse, distribution centers, owner-operated cattle facilities, and the acquisition or improvement to machinery and equipment assessed as real estate pursuant to Chapter 427B of the Code of Iowa.

DEFINITIONS

For use in this ordinance, certain terms and words used herein shall be interpreted or defined as follows:

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 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 Davis County Board of Supervisors.

2. “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 or prototype products for experimental use, and corporate-research services which do not have a primary purpose of providing on-site services to the public.

3. “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.

4. “DISTRIBUTION CENTER” means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. It 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.

5. “OWNER-OPERATED CATTLE FACILITIES” means owner-operated cattle facilities, including small or medium sized feedlots but not including slaughter facilities, either by new construction or by the retrofitting of existing facilities.

6. “MACHINERY AND EQUIPMENT ASSESSED AS REAL ESTATE PURSUANT TO SECTION 427A.1(1)(e) OF THE CODE OF IOWA” means machinery used in manufacturing establishments. The scope of property encompassed by this term is intended to be the same as, and neither broader nor narrower, than the scope of property taxable under Section 428.22 1 of the 1973 Code of Iowa, prior to July 1, 1974. It does not mean machinery or equipment that is part of the normal replacement or operating process to maintain or expand the existing operational status.

7. “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 Davis County Assessor as of January 1 of each year for which the exemption is received.

AUTHORITY TO ESTABLISH

The Board of Supervisors of Davis County, Iowa, is authorized, pursuant to Chapter 427B of the Code of Iowa, to provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers, owner-operated cattle facilities, 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, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

ESTABLISHMENT

A partial exemption is allowed from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, research-service facilities, warehouses, distribution centers, owner-operated cattle facilities, 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, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

DURATION OF EXEMPTION

The actual value added to industrial real estate for the reasons specified in Section 427B.1 of the Code of Iowa and this Ordinance 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 a distribution center, the partial exemption for the values added shall not be allowed for subsequent assessment years.

AMOUNT OF EXEMPTION

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 (75%).
- b. For the second year, sixty percent (60%).
- c. For the third year, forty-five percent (45%).
- d. For the fourth year, thirty percents (30%).
- e. For the fifth year, fifteen percent (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 added.

AREAS OF APPLICATION

A partial exemption from property taxation of the actual value added to industrial real estate shall apply to the following areas:

- a. Outside the incorporated limits of a city to which a city has extended its zoning ordinance pursuant to Iowa Code Section 414.23 which complies with the city's zoning ordinance;
- b. Outside the incorporated limits of a city which has adopted a zoning ordinance but which has not extended the ordinance to the area permitted under Iowa Code Section 414.23 if the property would be within the area to which a city may extend a zoning ordinance pursuant to Iowa Code Section 414.23;

- c. Outside the incorporated limits of a city which has not adopted a zoning ordinance but which would be within the area to which a city may extend a zoning ordinance pursuant to Iowa Code Section 414.23; and
- d. In an area where the partial exemption could not otherwise be granted in accordance with the above, where the actual value added is to industrial real estate existing on July 1, 1979.

APPLICATION FOR EXEMPTION

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 Davis County Assessor by February 1 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 Iowa Director of Revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the Iowa Director of Revenue. Application forms may be obtained from the office of the Davis County Assessor.

PRIOR APPROVAL OF EXEMPTION

A person may submit a proposal to the Davis County Board of Supervisors to receive prior approval for eligibility for a tax exemption on new construction.

The Davis County Board of Supervisors may, by ordinance, give prior approval of a tax exemption for new construction. An ordinance granting prior approval may be enacted not less than thirty (30) days after a public hearing is held in accordance with Section 335.6 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 Davis County Board of Supervisors to approve or reject.

REPEAL OF EXEMPTION

When in the opinion of the Davis County Board of Supervisors, continuation of the exemption granted by this Ordinance ceases to be of benefit to Davis County, Iowa, the Davis County Board of Supervisors may repeal this Ordinance. However, all exemptions existing at the time this Ordinance is repealed shall continue until their expiration.

AFFECT OF OTHER PROPERTY TAX EXEMPTIONS

A property tax exemption under Chapter 427B of the Code of Iowa and 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.

ELIGIBILITY FOR PARTIAL EXEMPTIONS

Property defined in Section 427A.1, Subsection 1, Paragraphs “e” and “j” of the Code of Iowa, which are assessed under Section 427B.17 of the Code of Iowa, shall not be eligible to receive a partial exemption under this Ordinance or Chapter 427B of the Code of Iowa.

REPEALER

All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SEVERABILITY CLAUSE

If any section, provision, or other part of this Ordinance shall be adjudged invalid or unconstitutional said adjudication shall not affect the validity of the ordinance as a whole or any section, provision, or other part thereof not adjudged invalid or unconstitutional.

WHEN EFFECTIVE

This ordinance shall take effect thirty (30) days after its enactment.

Passed, approved, and enacted by Davis County, Iowa, acting by and through the Davis County Board of Supervisors on the ____ day of _____, 2022.

By _____
Chairman

By _____
Member

By _____
Member

ATTEST:

