

BENTON COUNTY INDUSTRIAL PROPERTY TAX EXEMPTION ORDINANCE
ORDINANCE # 18

Be it enacted by the Board of Supervisors, of Benton County, Iowa:

SECTION 1. PURPOSE.

The purpose of this ordinance is to encourage economic development in Benton 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, warehouses, distribution centers and the acquisition or improvement to machinery and equipment assessed as real estate pursuant to Section 427A.1, Subsection 1, Paragraph "e", Code of Iowa.

SECTION 2. 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.

2. **"WAREHOUSE"** means a building or structure used as a public warehouse for the storage of goods pursuant to Chapter 554, Article 7, 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.

3. **"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.

4. **"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.

5. **"MACHINERY AND EQUIPMENT ASSESSED AS REAL ESTATE PURSUANT TO SEC. 427A.1(1)(e), CODE OF IOWA"** means machinery used in manufacturing establishments.

6. **"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 Benton County Assessor as of January 1 of each year for which the exemption is received.

SECTION 3. AUTHORITY TO ESTABLISH.

The Board of Supervisors of Benton County, Iowa, is authorized, pursuant to Chapter 427B, 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 and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to Sec. 427A.1, Subsection 1, Paragraph "e", Code of Iowa.

SECTION 4. 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, and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to sec. 427A.1, subsection 1, paragraph "e", 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.

SECTION 5. DURATION OF EXEMPTION.

The actual value added to industrial real estate for the reasons specified in Sec. 427B.1, 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 research-service facility, warehouse or a distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment years.

SECTION 6. 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 percent (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.

SECTION 7. 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 Benton 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 Benton County Assessor.

SECTION 8. PRIOR APPROVAL OF EXEMPTION.

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

Prior approval of the Board of Supervisors of Benton County, Iowa, upon the recommendation of the Iowa Department of Economic Development, for eligibility for tax exemption shall be required for all projects resulting in actual value added for which an exemption is claimed involving 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. Prior approval in projects involving 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 shall include, in addition to the other requirements of this ordinance, a determination that 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.

SECTION 9. REPEAL OF EXEMPTION.

When in the opinion of the Board of Supervisors of Benton County, Iowa, continuation of the exemption granted by Chapter 427B, Code of Iowa, and this ordinance ceases to be of benefit to Benton County, Iowa, the Board of Supervisors, Benton County, Iowa, may repeal this ordinance. However, all exemptions existing

at the time this ordinance is repealed shall continue until their expiration.

SECTION 10. AFFECT OF OTHER PROPERTY TAX EXEMPTIONS.

A property tax exemption under Chapter 427B, 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.

SECTION 11. Property defined in Sec. 427A.1, Subsection 1, Paragraphs "e" and "j", Code of Iowa, and assessed under Sections 427B.10 to 427B.14 and 427B.17, Code of Iowa, shall not be eligible to receive a partial exemption under this ordinance and Sections 427B.1 to 427B.6, Code of Iowa.

SECTION 12. REPEALER.

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

SECTION 13. 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.

00000578

FILED
BETH S. WRIGHT
RECORDER
BENTON COUNTY, IOWA

AUG 6 12 29 PM '93

Book 248 Page 325
Fee Paid \$ _____


SECTION 14. WHEN EFFECTIVE.

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

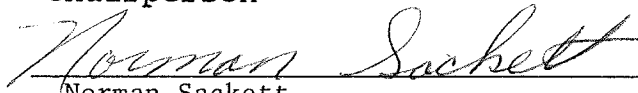
PASSED AND APPROVED this 13th day of July,
1993.

BENTON COUNTY BOARD OF SUPERVISORS






Dell Hanson
Chairperson

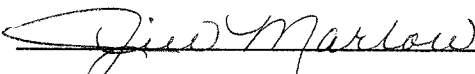


Norman Sackett



Edwin J. Brecht

ATTEST:



JILL MARLOW, BENTON COUNTY AUDITOR &
SECRETARY OF THE BOARD OF SUPERVISORS

June 9, 1993 and June 30, 1993 Published summary of Ordinance #18
July 2, 1993 - 1st Consideration
July 6, 1993 - 2nd Consideration
July 13, 1993 - 3rd Consideration and Adoption
July 21, 1993 Published Ordinance #18

I, Jill Marlow, do hereby certify the above to a true and correct copy of
Ordinance No. 18 and the dates of consideration and publication are correct.



Jill Marlow, Auditor