

**CHAPTER 22**  
**INDUSTRIAL PROPERTY TAX VALUE ADDED EXEMPTION**

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SEC. 22-1. TITLE

This Chapter may be known and cited as the "Industrial Property Tax Value Added Exemption" of Scott County, Iowa.

SEC. 22-2. DEFINITIONS

For purposes of this chapter, certain terms or words are hereby defined:

- A. Actual value added. The actual value added in industrial development through "new construction" 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.
- B. Distribution Center. 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.
- C. New Construction. New buildings and structures and includes new buildings and structures which are constructed as additions to existing building and structures. "New construction" does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing

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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 Scott County Board of supervisors upon the recommendation of the Iowa Department of Economic Development. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to Section 427A.1, subsection 1, paragraph "e", 1989 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.

- D. Research-service facilities. 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.
  
- E. Warehouse. A building or structure used as a public warehouse for the storage of goods pursuant to Chapter 554, article 7, 1989 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.

SEC. 22-3.       PURPOSE

The Scott County Board of Supervisors hereby provides a partial exemption from property taxation of the actual value added to industrial real estate by the construction of industrial real estate, research-service facilities, warehouses, distribution centers and the acquisition of our improvements to machinery and equipment assessed as real estate pursuant to Section 427A.1, subsection 1, paragraph "e", 1989 Code of Iowa.

The purpose is to provide a tax incentive for new or expanding industrial development in the unincorporated area of Scott County which diversifies our economy and adds new jobs to the local economy.

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SEC. 22-4. PERIOD AND AMOUNT OF PARTIAL EXEMPTION

The actual value added to industrial real estate for reasons specified in Section 22-3 is eligible to receive a partial exemption from taxation for a period of five years. However, if the property ceases to be classified as industrial real estate or ceases to be used as a distribution center, research-service facility, or warehouse, the partial exemption for the value added shall not be allowed for subsequent assessment years.

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.
2. For the second year, sixty percent.
3. For the third year, forty-five percent.
4. For the fourth year, thirty percent.
5. For the fifth year, fifteen percent.

However, the granting of this 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.

SEC. 22-5. 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 county assessor by February 1 of the assessment year in which the value added is first assessed for taxation.

A person or firm may submit a proposal to the Director of Planning and Development to begin the process of receiving prior approval for eligibility for a partial tax exemption for new construction. The Director will establish a public hearing date and location with the concurrence of the Board of Supervisors in conformance with the hearing requirements of Section 358A.6 and Section 331.305, 1989 Code of Iowa. After the public hearing, the Board of Supervisors may pass a resolution granting prior approval if the new construction conforms with the purpose of this Chapter and the Scott County revised Zoning Ordinance. 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 or firm may submit an amended proposal to the Board of Supervisors to approve or reject.

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SEC. 22-6. EXEMPTION MAY BE REPEALED

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

SEC. 22-7. RECORDING

The County Auditor is directed to record this ordinance in the County Recorder's office and keep and maintain a copy of this ordinance in the County Auditor's office.

SEC. 22-8. SEVERABILITY CLAUSE

If any of the provisions of this Ordinance are for any reason illegal or void, then the lawful provisions of the Ordinance, which are separate from said unlawful provisions shall be and remain in full force and effect, the same as if the Ordinance contained no illegal or void provisions.