

SENATE FILE 576

BY COMMITTEE ON WAYS AND MEANS

Formerly SSB 382
(Appropriations J.C. 17-21)

FILED APR 26 1985

Passed Senate, Date 4-24-85 (p. 1139) Passed House, Date 5-4-85 (p. 2318)

Vote: Ayes 43 Nays 0 Vote: Ayes 64 Nays 14

Approved May 30, 1985
Repassed Senate 5-4-85 (p. 1991)
36-0

A BILL FOR

1 An Act relating to the granting of a partial real property
2 tax credit for new construction of office-research
3 facilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 427B.1, unnumbered paragraph 1, Code
2 1985, is amended to read as follows:

3 A city council, or a county board of supervisors as
4 authorized by section 427B.2, may provide by ordinance for a
5 partial exemption from property taxation of the actual value
6 added to industrial real estate by the new construction of
7 industrial real estate, office-research facilities,
8 warehouses, distribution centers and the acquisition of or
9 improvement to machinery and equipment assessed as real estate
10 pursuant to section 427A.1, subsection 1, paragraph "e". New
11 construction means new buildings and structures and includes
12 new buildings and structures which are constructed as
13 additions to existing buildings and structures. New
14 construction does not include reconstruction of an existing
15 building or structure which does not constitute complete
16 replacement of an existing building or structure or refitting
17 of an existing building or structure, unless the
18 reconstruction of an existing building or structure is
19 required due to economic obsolescence and the reconstruction
20 is necessary to implement recognized industry standards for
21 the manufacturing and processing of specific products and the
22 reconstruction is required for the owner of the building or
23 structure to continue to competitively manufacture or process
24 those products which determination shall receive prior
25 approval from the city council of the city or the board of
26 supervisors of the county upon the recommendation of the Iowa
27 development commission. The exemption shall also apply to new
28 machinery and equipment assessed as real estate pursuant to
29 section 427A.1, subsection 1, paragraph "e", unless the
30 machinery or equipment is part of the normal replacement or
31 operating process to maintain or expand the existing
32 operational status. "Office-research facilities" means a
33 building or group of buildings devoted primarily to research
34 and development activities, including, but not limited to, the
35 design and production or manufacture of prototype products for

1 experimental use, and office and administrative functions
2 which do not have a primary purpose of providing on-site
3 services to the public. Warehouse means a building or
4 structure used as a public warehouse for the storage of goods
5 pursuant to chapter 554, article 7, except that it does not
6 mean a building or structure used primarily to store raw
7 agricultural products or from which goods are sold at retail.
8 Distribution center means a building or structure used
9 primarily for the storage of goods which are intended for
10 subsequent shipment to retail outlets. Distribution center
11 does not mean a building or structure used primarily to store
12 raw agricultural products, used primarily by a manufacturer to
13 store goods to be used in the manufacturing process, used
14 primarily for the storage of petroleum products, or used for
15 the retail sale of goods.

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EXPLANATION

17 This bill permits a city council or county board of
18 supervisors to grant by ordinance a partial real property tax
19 exemption for value added to industrial real estate by new
20 construction of office-research facilities. Such facilities
21 are defined as a building or group of buildings devoted
22 primarily to research and development activities and office
23 and administrative functions which do not have a primary
24 purpose of providing on-site service to the public.

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SENATE FILE 576

H-4197

- 1 Amend Senate File 576 as passed by the Senate as
2 follows:
3 1. Page 1, line 7, by striking the words "office-
4 research" and inserting the following: "research-
5 service".
6 2. Page 1, line 32, by striking the words
7 "Office-research" and inserting the following:
8 "Research-service".
9 3. Page 2, line 1, by striking the words "office
10 and administrative functions" and inserting the
11 following: "corporate-research services".
12 4. Title page, line 2, by striking the words
13 "office-research" and inserting the following:
14 "research-service".

H-4197 FILED MAY 1, 1985

BY COMMITTEE ON WAYS AND MEANS

Adopted 8/4/85 (p. 2319)

HOUSE AMENDMENT TO
SENATE FILE 576

S-4256

- 1 Amend Senate File 576 as passed by the Senate as
2 follows:
3 1. Page 1, line 7, by striking the words "office-
4 research" and inserting the following: "research-
5 service".
6 2. Page 1, line 32, by striking the words
7 "Office-research" and inserting the following:
8 "Research-service".
9 3. Page 2, line 1, by striking the words "office
10 and administrative functions" and inserting the
11 following: "corporate-research services".
12 4. Title page, line 2, by striking the words
13 "office-research" and inserting the following:
14 "research-service".

S-4256 Filed May 4, 1985

RECEIVED FROM THE HOUSE

Senate Concurrent 5-4 (p. 1991)

SSB 382
Way + Means

New
SF 576

SENATE FILE _____

BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the granting of a partial real property
2 tax credit for new construction of office-research
3 facilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 427B.1, unnumbered paragraph 1, Code
2 1985, is amended to read as follows:

3 A city council, or a county board of supervisors as
4 authorized by section 427B.2, may provide by ordinance for a
5 partial exemption from property taxation of the actual value
6 added to industrial real estate by the new construction of
7 industrial real estate, office-research facilities,
8 warehouses, distribution centers and the acquisition of or
9 improvement to machinery and equipment assessed as real estate
10 pursuant to section 427A.1, subsection 1, paragraph "e". New
11 construction means new buildings and structures and includes
12 new buildings and structures which are constructed as
13 additions to existing buildings and structures. New
14 construction does not include reconstruction of an existing
15 building or structure which does not constitute complete
16 replacement of an existing building or structure or refitting
17 of an existing building or structure, unless the
18 reconstruction of an existing building or structure is
19 required due to economic obsolescence and the reconstruction
20 is necessary to implement recognized industry standards for
21 the manufacturing and processing of specific products and the
22 reconstruction is required for the owner of the building or
23 structure to continue to competitively manufacture or process
24 those products which determination shall receive prior
25 approval from the city council of the city or the board of
26 supervisors of the county upon the recommendation of the Iowa
27 development commission. The exemption shall also apply to new
28 machinery and equipment assessed as real estate pursuant to
29 section 427A.1, subsection 1, paragraph "e", unless the
30 machinery or equipment is part of the normal replacement or
31 operating process to maintain or expand the existing
32 operational status. "Office-research facilities" means a
33 building or group of buildings devoted primarily to research
34 and development activities, including, but not limited to, the
35 design and production or manufacture of prototype products for

1 experimental use, and office and administrative functions
2 which do not have a primary purpose of providing on-site
3 services to the public. Warehouse means a building or
4 structure used as a public warehouse for the storage of goods
5 pursuant to chapter 554, article 7, except that it does not
6 mean a building or structure used primarily to store raw
7 agricultural products or from which goods are sold at retail.
8 Distribution center means a building or structure used
9 primarily for the storage of goods which are intended for
10 subsequent shipment to retail outlets. Distribution center
11 does not mean a building or structure used primarily to store
12 raw agricultural products, used primarily by a manufacturer to
13 store goods to be used in the manufacturing process, used
14 primarily for the storage of petroleum products, or used for
15 the retail sale of goods.

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EXPLANATION

17 This bill permits a city council or county board of
18 supervisors to grant by ordinance a partial real property tax
19 exemption for value added to industrial real estate by new
20 construction of office-research facilities. Such facilities
21 are defined as a building or group of buildings devoted
22 primarily to research and development activities and office
23 and administrative functions which do not have a primary
24 purpose of providing on-site service to the public.

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SENATE FILE 576

AN ACT

RELATING TO THE GRANTING OF A PARTIAL REAL PROPERTY TAX
CREDIT FOR NEW CONSTRUCTION OF RESEARCH-SERVICE FACILITIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 427B.1, unnumbered paragraph 1, Code 1985, is amended to read as follows:

A city council, or a county board of supervisors as authorized by section 427B.2, may 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 section 427A.1, subsection 1, paragraph "e". 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 city council of the city or the board of supervisors of the 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.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 576, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 30, 1985

TERRY E. BRANSTAD
Governor