

FILED MAR 29 1993

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SENATE FILE **405**
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 264)

Passed Senate, Date (p1351) 4/26/93 Passed House, Date _____
Vote: Ayes 40 Nays 9 Vote: Ayes _____ Nays _____
Approved May 25, 1993

A BILL FOR

1 An Act extending the pollution control equipment property tax
2 exemption to property used for the recycling of waste plastic,
3 wastepaper products, and waste paperboard.

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

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SF 405

1 Section 1. Section 427.1, subsection 32, Code 1993, as
2 amended to read as follows:

3 32. POLLUTION CONTROL AND RECYCLING. Pollution-control or
4 recycling property as defined in this subsection shall be
5 exempt from taxation to the extent provided in this
6 subsection, upon compliance with the provisions of this
7 subsection.

8 This exemption shall apply to new installations of
9 pollution-control or recycling property beginning on January 1
10 after the construction or installation of the property is
11 completed. This exemption shall apply beginning on January 1,
12 1975, to existing pollution-control property if its
13 construction or installation was completed after September 23,
14 1970 and this exemption shall apply beginning January 1, 1994,
15 to recycling property.

16 This exemption shall be limited to the market value, as
17 defined in section 441.21, of the pollution-control or
18 recycling property. If the pollution-control or recycling
19 property is assessed with other property as a unit, this
20 exemption shall be limited to the net market value added by
21 the pollution-control or recycling property, determined as of
22 the assessment date.

23 Application for this exemption shall be filed with the
24 assessing authority not later than the first of February of
25 the first year for which the exemption is requested, on forms
26 provided by the department of revenue and finance. The
27 application shall describe and locate the specific pollution-
28 control or recycling property to be exempted.

29 The application for a specific pollution-control or
30 recycling property shall be accompanied by a certificate of
31 the administrator of the environmental protection division of
32 the department of natural resources certifying that the
33 primary use of the pollution-control property is to control or
34 abate pollution of any air or water of this state or to
35 enhance the quality of any air or water of this state or, if

1 the property is recycling property, that the primary use of
2 the property is for recycling.

3 A taxpayer may seek judicial review of a determination of
4 the administrator of the environmental protection division or,
5 on appeal, of the environmental protection commission in
6 accordance with the provisions of chapter 17A.

7 The environmental protection commission of the department
8 of natural resources shall adopt rules relating to
9 certification under this subsection and information to be
10 submitted for evaluating pollution-control or recycling
11 property for which a certificate is requested. The department
12 of revenue and finance shall adopt any rules necessary to
13 implement this subsection, including rules on identification
14 and valuation of pollution-control or recycling property. All
15 rules adopted shall be subject to the provisions of chapter
16 17A.

17 For the purposes of this subsection "pollution-control
18 property" means personal property or improvements to real
19 property, or any portion thereof, used primarily to control or
20 abate pollution of any air or water of this state or used
21 primarily to enhance the quality of any air or water of this
22 state and "recycling property" means personal property or
23 improvements to real property or any portion of the property,
24 used primarily in a process that converts waste plastic,
25 wastepaper product, or waste paperboard, into new raw
26 materials or products composed primarily of recycled material.
27 In the event such property shall also serve other purposes or
28 uses of productive benefit to the owner of the property, only
29 such portion of the assessed valuation thereof as may
30 reasonably be calculated to be necessary for and devoted to
31 the control or abatement of pollution or, to the enhancement
32 of the quality of the air or water of this state, or for
33 recycling shall be exempt from taxation under this subsection.

34 For the purposes of this subsection "pollution" means air
35 pollution as defined in section 455B.131 or water pollution as

1 defined in section 455B.171. "Water of the state" means the
2 water of the state as defined in section 455B.171. "Enhance
3 the quality" means to diminish the level of pollutants below
4 the air or water quality standards established by the
5 environmental protection commission of the department of
6 natural resources.

7 EXPLANATION

8 This bill extends the pollution-control equipment property
9 tax exemption to property used to recycle waste plastic,
10 wastepaper products, or waste paperboard.

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SENATE FILE 405

S-3563

- 1 Amend Senate File 405 as follows:
2 1. Page 1, by striking line 3 and inserting the
3 following:
4 "32. POLLUTION CONTROL, RECYCLING, AND COMPOSTING.
5 Pollution-control, recycling, or composting".
6 2. Page 1, line 4, by striking the word
7 "recycling".
8 3. Page 1, line 9, by striking the words "or
9 recycling" and inserting the following: ", recycling,
10 or composting".
11 4. Page 1, line 15, by inserting after the word
12 "recycling" the following: "and composting".
13 5. Page 1, by striking lines 17 and 18 and
14 inserting the following: "defined in section 441.21,
15 of the pollution-control, recycling, or composting
16 property. If the pollution-control, recycling, or
17 composting".
18 6. Page 1, line 21, by striking the words "or
19 recycling" and inserting the following: ", recycling,
20 or composting".
21 7. Page 1, line 28, by striking the words "or
22 recycling" and inserting the following: ", recycling,
23 or composting".
24 8. Page 1, lines 29 and 30, by striking the words
25 "or recycling" and inserting the following: ",
26 recycling, or composting".
27 9. Page 2, line 2, by inserting after the word
28 "recycling" the following: "or, if the property is
29 composting property, that the primary use of the
30 property is for composting".
31 10. Page 2, line 10, by striking the words "or
32 recycling" and inserting the following: ", recycling,
33 or composting".
34 11. Page 2, line 14, by striking the words "or
35 recycling" and inserting the following: ", recycling,
36 or composting".
37 12. Page 2, line 22, by striking the words "state
38 and" and inserting the following: "state,".
39 13. Page 2, line 26, by inserting after the word
40 "material" the following: ", and "composting
41 property" means personal property or improvements to
42 real property or any portion of the property, used
43 primarily in a process that converts biodegradable
44 waste into composts".
45 14. Page 2, lines 32 and 33, by striking the
46 words "or for recycling" and inserting the following:
47 "for recycling, or for composting".
48 15. Title page, line 2, by inserting after the
49 word "for" the following: "composting and to property
50 used for".

By JIM RIORDAN

S-3563 FILED APRIL 21, 1993

WITHDRAWN

4/26/93

SENATE FILE 405

S-3637

- 1 Amend Senate File 405 as follows:
- 2 1. Page 2, line 24, by inserting after the word
- 3 "plastic," the following: "scrap metal,".
- 4 2. Title page, line 2, by inserting after the
- 5 word "of" the following: "scrap metal,".

By MAGGIE TINSMAN

S-3637 FILED APRIL 26, 1993

LOST

SENATE FILE 405

S-3587

1 Amend the amendment, S-3550, to Senate File 405 as
2 follows:

3 1. Page 1, by inserting before line 2 the
4 following:

5 " . Page 1, by inserting before line 1 the
6 following:

7 "Section 1. Section 18.21, Code 1993, is amended
8 to read as follows:

9 18.21 CERTAIN POLYSTYRENE PACKAGING PRODUCTS --
10 RECYCLING----PROHIBITION.

11 The department of general services shall comply
12 with the recycling goal, and recycling schedule, and
13 ~~ultimate-termination-of-the-purchase-and-use-of~~
14 ~~polystyrene-products-for-the-purpose-of-storing,~~
15 ~~packaging, or serving food for immediate consumption~~
16 pursuant to section 455D.16.

17 Sec. 2. Section 216B.3, subsection 13, Code 1993,
18 is amended to read as follows:

19 13. In conjunction with the recommendations made
20 by the department of natural resources, purchase and
21 use recycled printing and writing paper in accordance
22 with the schedule established in section 18.18;
23 establish a wastepaper recycling program, by January
24 1, 1990, in accordance with the recommendations made
25 by the department of natural resources and
26 requirements of section 18.20; comply with the
27 recycling goal, and recycling schedule, and ~~ultimate~~
28 ~~termination-of-purchase-and-use-of-polystyrene~~
29 ~~products-for-the-purpose-of-storing, packaging, or~~
30 ~~serving food for immediate consumption~~ pursuant to
31 section 455D.16; and, in accordance with section 18.6,
32 require product content statements, the provision of
33 information regarding on-site review of waste
34 management in product bidding and contract procedures,
35 and compliance with requirements regarding contract
36 bidding.

37 Sec. 3. Section 262.9, subsection 5, Code 1993, is
38 amended to read as follows:

39 5. In conjunction with the recommendations made by
40 the department of natural resources, purchase and use
41 recycled printing and writing paper, with the
42 exception of specialized paper when no recyclable
43 product is available, in accordance with the schedule
44 established in section 18.18; establish a wastepaper
45 recycling program by January 1, 1990, for all
46 institutions governed by the board in accordance with
47 recommendations made by the department of natural
48 resources and the requirements of section 18.20;
49 comply with, and the institutions governed by the
50 board shall also comply with the recycling goal, and

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Page 2

1 recycling schedule, ~~and ultimate termination of~~
2 ~~purchase and use of polystyrene products for the~~
3 ~~purpose of storing, packaging, or serving food for~~
4 ~~immediate consumption~~ pursuant to section 455D.16;
5 shall, in accordance with the requirements of section
6 18.6, require product content statements, the
7 provision of information regarding on-site review of
8 waste management in product bidding and contract
9 procedures, and compliance with requirements regarding
10 procurement specifications; and shall comply with the
11 requirements for the purchase of lubricating oils and
12 industrial oils as established pursuant to section
13 18.22.

14 Sec. 4. Section 307.21, subsection 4, paragraph b,
15 subparagraph (3), Code 1993, is amended to read as
16 follows:

17 (3) Comply with the recycling goal, and recycling
18 ~~schedule, and ultimate termination of purchase and use~~
19 ~~of polystyrene products for the purpose of storing,~~
20 ~~packaging, or serving food for immediate consumption~~
21 pursuant to section 455D.16."

22 2. Page 1, by inserting after line 3 the
23 following:

24 "_____. Page 3, by inserting after line 6 the
25 following:

26 "Sec. _____. Section 455D.16, Code 1993, is amended
27 to read as follows:

28 455D.16 PACKAGING PRODUCTS -- RECYCLING ---
29 PROHIBITION OF POLYSTYRENE PRODUCTS.

30 The department, in cooperation with businesses
31 involved in the manufacturing and use of packaging
32 products or food service items, shall establish a
33 recycling program to increase the recycling of
34 packaging products or food service items by twenty-
35 five percent by July 1, 1993, and by fifty percent by
36 July 1, 1994. ~~If the recycling goals are not reached,~~
37 ~~beginning January 1, 1995, a person shall not~~
38 ~~manufacture, offer for sale, sell, or use any~~
39 ~~polystyrene packaging products or food service items~~
40 ~~in this state."~~

41 _____. Title page, line 1, by inserting after the
42 word "Act" the following: "relating to waste volume
43 reduction and recycling by removing the prohibition
44 against the manufacture, sale, and use of polystyrene
45 packaging products or food service items in the state
46 and by".

47 3. By renumbering as necessary.

By LARRY MURPHY

S-3587 FILED APRIL 21, 1993

out of order 4/26/93

SENATE FILE 405

S-3559

1 Amend Senate File 405 as follows:
2 1. Page 1, by striking lines 3 and 4 and
3 inserting the following:
4 "~~32. POLLUTION-CONTROL~~ SPECIAL PROPERTY. a.
5 ~~Pollution-control-property~~ Property as defined in this
6 subsection shall be".
7 2. Page 1, line 9, by striking the words
8 "~~pollution-control or recycling~~" and inserting the
9 following: "~~pollution-control~~".
10 3. Page 1, by striking lines 14 and 15 and
11 inserting the following: "1970."
12 4. Page 1, lines 17 and 18, by striking the words
13 "~~pollution-control or recycling~~" and inserting the
14 following: "~~pollution-control~~".
15 5. Page 1, line 18, by striking the words
16 "~~pollution-control or recycling~~" and inserting the
17 following: "~~pollution-control~~".
18 6. Page 1, line 21, by striking the words
19 "~~pollution-control or recycling~~" and inserting the
20 following: "~~pollution-control~~".
21 7. Page 1, lines 27 and 28, by striking the words
22 "~~pollution-control or recycling~~" and inserting the
23 following: "~~pollution-control~~".
24 8. Page 2, line 14, by striking the words
25 "~~pollution-control or recycling~~" and inserting the
26 following: "~~pollution-control~~ the".
27 9. Page 2, by inserting after line 16 the fol-
28 lowing:
29 "For purposes of the exemption in this subsection,
30 "property" means pollution-control property, property
31 described in section 427B.17 as authorized in
32 paragraph "b", and recycling property."
33 10. Page 3, by inserting after line 6 the follow-
34 ing:
35 "b. A city governing body or county board of
36 supervisors may provide by ordinance an exemption from
37 taxation for property described in section 427B.17,
38 which is acquired after December 31, 1993. The
39 ordinance may be enacted not less than thirty days
40 after a public hearing on the ordinance is held.
41 Notice of the hearing shall be published in accordance
42 with section 331.305 in the case of a county, or
43 section 362.3 in the case of a city.
44 An ordinance enacted by a city shall exempt that
45 entire portion of the total levy against the 427B.17
46 property which is equal to the sum of the city levy
47 and school district levy for school districts whose
48 taxable property is located within the incorporated
49 area of the city. An ordinance enacted by a county
50 shall exempt that entire portion of the total levy

A

B

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Page 2

1 against the 427B.17 property which is equal to the sum
 2 of the county levy in the unincorporated and
 3 incorporated areas of the county and the school
 4 district levy for school districts whose taxable
 5 property is located in the unincorporated area of the
 6 county.

llw
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7 If in the opinion of the city governing body or the
 8 county board of supervisors continuation of the
 9 exemption granted under this subsection ceases to be
 10 of benefit to the city or county, the city governing
 11 body or the county board of supervisors may repeal the
 12 ordinance authorized by this paragraph. Exemptions
 13 allowed prior to repeal of the ordinance shall
 14 continue until their expiration."

15 11. Title page, by striking lines 2 and 3 and
 16 inserting the following: "exemption."

By WAYNE BENNETT

BRAD BANKS

MAGGIE TINSMAN

MERLIN E. BARTZ

RANDAL J. GIANNETTO

S-3559 FILED APRIL 21, 1993

A not done
B - Withdrawn 4/26/93

SENATE FILE 405

S-3531

- 1 Amend Senate File 405 as follows:
- 2 1. Page 2, line 24, by striking the words "a
- 3 process that converts" and inserting the following:
- 4 "the manufacturing process and resulting directly in
- 5 the conversion of".

By RALPH ROSENBERG

S-3531 FILED APRIL 20, 1993

ADOPTED

SENATE FILE 405

S-3550

- 1 Amend Senate File 405 as follows:
- 2 1. Page 2, line 24, by inserting after the word
- 3 "converts" the following: "scrap metal,".
- 4 2. Title page, line 2, by inserting after the
- 5 word "of" the following: "scrap metal,".

By PATRICK J. DELUHERY
EMIL J. HUSAK

WITHDRAWN

4-26-93

S-3550 FILED APRIL 20, 1993

DEFERRED

SENATE FILE 405

S-3551

- 1 Amend Senate File 405 as follows:
- 2 1. Page 3, by inserting after line 6 the
- 3 following:
- 4 "A person who receives a grant awarded by the
- 5 department of natural resources for projects or
- 6 programs related to recycling is not eligible for the
- 7 exemption under this subsection relating to recycling
- 8 property during the term of the grant."

Lost 4/26/93 (P.1346) By BERL PRIEBE

S-3551 FILED APRIL 20, 1993

SENATE FILE 405

S-3355

1 Amend the Bennett amendment, S-3330, to Senate File
2 405 as follows:

3 1. Page 1, line 17, by inserting after the word
4 "material." the following: "The ordinance shall
5 provide that an application be filed for which an
6 exemption is claimed.

7 An ordinance enacted by a city shall exempt that
8 entire portion of the total levy against recycling
9 property defined in this section which is equal to the
10 sum of the city levy and school district levy for
11 school districts whose taxable property is located
12 within the incorporated area of the city. An
13 ordinance enacted by a county shall exempt that entire
14 portion of the total levy against recycling property
15 defined in this section which is equal to the sum of
16 the county levy in the unincorporated and incorporated
17 areas of the county and the school district levy for
18 school districts whose taxable property is located in
19 the unincorporated area of the county.

20 PARAGRAPHE DIVIDED."

21 2. Page 1, by striking lines 22 through 25 and
22 inserting the following: "the case of a city."

23 3. Page 2, line 41, by inserting after the figure
24 "1992." the following: "The ordinance shall provide
25 that an application be filed for each project for
26 which an exemption is claimed.

27 b. An ordinance enacted by a city shall exempt
28 that entire portion of the total levy against property
29 defined in this section which is equal to the sum of
30 the city levy and school district levy for school
31 districts whose taxable property is located within the
32 incorporated area of the city. An ordinance enacted
33 by a county shall exempt that entire portion of the
34 total levy against property defined in this section
35 which is equal to the sum of the county levy in the
36 unincorporated and incorporated areas of the county
37 and the school district levy for school districts
38 whose taxable property is located in the
39 unincorporated area of the county.

40 c."

41 4. Page 2, by striking lines 46 through 50 and
42 inserting the following: "section 362.3 in the case
43 of a city."

44 5. Page 3, line 1, by striking the letter "b."
45 and inserting the following: "d."

By MAGGIE TINSMAN
RANDAL J. GIANNETTO
WAYNE D. BENNETT

S-3355 FILED APRIL 1, 1993

(P. 1245) adopted 4/20/93

SENATE FILE 405

S-3586

1 Amend Senate File 405 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 18.21, Code 1993, is amended
5 to read as follows:

6 18.21 CERTAIN POLYSTYRENE PACKAGING PRODUCTS --
7 RECYCLING----PROHIBITION.

8 The department of general services shall comply
9 with the recycling goal, and recycling schedule, ~~and~~
10 ~~ultimate-termination-of-the-purchase-and-use-of~~
11 ~~polystyrene-products-for-the-purpose-of-storing,~~
12 ~~packaging, or serving food for immediate consumption~~
13 pursuant to section 455D.16.

14 Sec. 2. Section 216B.3, subsection 13, Code 1993,
15 is amended to read as follows:

16 13. In conjunction with the recommendations made
17 by the department of natural resources, purchase and
18 use recycled printing and writing paper in accordance
19 with the schedule established in section 18.18;
20 establish a wastepaper recycling program, by January
21 1, 1990, in accordance with the recommendations made
22 by the department of natural resources and
23 requirements of section 18.20; comply with the
24 recycling goal, and recycling schedule, ~~and-ultimate~~
25 ~~termination-of-purchase-and-use-of-polystyrene~~
26 ~~products-for-the-purpose-of-storing, packaging, or~~
27 ~~serving food for immediate consumption~~ pursuant to
28 section 455D.16; and, in accordance with section 18.6,
29 require product content statements, the provision of
30 information regarding on-site review of waste
31 management in product bidding and contract procedures,
32 and compliance with requirements regarding contract
33 bidding.

34 Sec. 3. Section 262.9, subsection 5, Code 1993, is
35 amended to read as follows:

36 5. In conjunction with the recommendations made by
37 the department of natural resources, purchase and use
38 recycled printing and writing paper, with the
39 exception of specialized paper when no recyclable
40 product is available, in accordance with the schedule
41 established in section 18.18; establish a wastepaper
42 recycling program by January 1, 1990, for all
43 institutions governed by the board in accordance with
44 recommendations made by the department of natural
45 resources and the requirements of section 18.20;
46 comply with, and the institutions governed by the
47 board shall also comply with the recycling goal, and
48 recycling schedule, ~~and-ultimate-termination-of~~
49 ~~purchase-and-use-of-polystyrene-products-for-the~~
50 ~~purpose-of-storing, packaging, or serving food for~~

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1 immediate-consumption pursuant to section 455D.16;
2 shall, in accordance with the requirements of section
3 18.6, require product content statements, the
4 provision of information regarding on-site review of
5 waste management in product bidding and contract
6 procedures, and compliance with requirements regarding
7 procurement specifications; and shall comply with the
8 requirements for the purchase of lubricating oils and
9 industrial oils as established pursuant to section
10 18.22.

11 Sec. 4. Section 307.21, subsection 4, paragraph b,
12 subparagraph (3), Code 1993, is amended to read as
13 follows:

14 (3) Comply with the recycling goal, and recycling
15 schedule, ~~and-ultimate-termination-of-purchase-and-use~~
16 ~~of-polystyrene-products-for-the-purpose-of-storing,~~
17 ~~packaging, or-serving-food-for-immediate-consumption~~
18 pursuant to section 455D.16."

19 2. Page 3, by inserting after line 6 the
20 following:

21 "Sec. ____ . Section 455D.16, Code 1993, is amended
22 to read as follows:

23 455D.16 PACKAGING PRODUCTS -- RECYCLING---
24 PROHIBITION-OF-POLYSTYRENE-PRODUCTS.

25 The department, in cooperation with businesses
26 involved in the manufacturing and use of packaging
27 products or food service items, shall establish a
28 recycling program to increase the recycling of
29 packaging products or food service items by twenty-
30 five percent by July 1, 1993, and by fifty percent by
31 July 1, 1994. ~~if-the-recycling-goals-are-not-reached,~~
32 ~~beginning-January-1,-1995,-a-person-shall-not~~
33 ~~manufacture, offer-for-sale, sell, or-use-any~~
34 ~~polystyrene-packaging-products-or-food-service-items~~
35 ~~in-this-state."~~

36 3. Title page, line 1, by inserting after the
37 word "Act" the following: "relating to waste volume
38 reduction and recycling by removing the prohibition
39 against the manufacture, sale, and use of polystyrene
40 packaging products or food service items in the state
41 and by".

42 4. By renumbering as necessary.

By LARRY MURPHY

out of order 4/26/93

S-3586 FILED APRIL 21, 1993

SENATE FILE 405

S-3566

1 Amend the amendment, S-3550, to Senate File 405 as
2 follows:

3 1. Page 1, line 3, by inserting after the word
4 "metal," the following: "metal, tires, scrap tires,
5 shredded tires,".

6 2. Page 1, line 5, by inserting after the word
7 "metal," the following: "metal, tires, scrap tires,
8 shredded tires,".

By JIM KERSTEN
BERL E. PRIEBE

S-3566 FILED APRIL 21, 1993
ADOPTED

SENATE FILE 405

S-3330

1 Amend Senate File 405 as follows:

2 1. Page 1, line 3, by inserting after the word
3 "RECYCLING." the following: "a."

4 2. Page 1, by striking lines 14 and 15 and
5 inserting the following: "1970 and this exemption
6 shall only apply to recycling property pursuant to an
7 ordinance as provided in paragraph "b"."

8 3. Page 3, by inserting after line 6 the follow-
9 ing:

10 "b. A city governing body or county board of
11 supervisors may provide by ordinance an exemption from
12 taxation for recycling property defined in this
13 section, which is acquired after December 31, 1993,
14 and which is used primarily in a process that converts
15 waste plastic, wastepaper products, or waste
16 paperboard into new raw materials or products composed
17 primarily of recycled material. The ordinance may be
18 enacted not less than thirty days after a public
19 hearing on the ordinance is held. Notice of the
20 hearing shall be published in accordance with section
21 331.305 in the case of a county, or section 362.3 in
22 the case of a city. The exemption shall not apply to
23 any property acquired or initially leased prior to the
24 enactment of the ordinance unless the ordinance
25 specifically allows for retroactive application.

26 If in the opinion of the city governing body or the
27 county board of supervisors continuation of the
28 exemption granted under this subsection for recycling
29 property ceases to be of benefit to the city or
30 county, the city governing body or the county board of
31 supervisors may repeal the ordinance authorized by
32 this paragraph. Exemptions allowed prior to repeal of
33 the ordinance shall continue until their expiration.

34 Sec. ____ . Section 427B.17, Code 1993, is amended
35 to read as follows:

36 427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

37 1. For property defined in section 427A.1,
38 subsection 1, paragraphs "e" and "j" acquired or
39 initially leased after January 1, 1985 the taxpayer's
40 valuation shall be limited to thirty percent of the
41 net acquisition cost of the property. For purposes of
42 this section, "net acquisition cost" means the
43 acquired cost of the property including all
44 foundations and installation cost less any excess cost
45 adjustment.

46 2. For purposes of this section:

47 a. Property assessed by the department of
48 revenue and finance pursuant to sections 428.24 to
49 428.29, or chapters 433, 434 and 436 to 438 shall not
50 receive the benefits of this section.

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S-3330

Page 2

1 2 b. Property acquired on or before January 1,
2 1985 which was owned or used on or before January 1,
3 1985 by a related person shall not receive the
4 benefits of this section.

5 3 c. Property acquired after January 1, 1985 which
6 was owned and used by a related person shall not
7 receive any additional benefits under this section.

8 4 d. Property which was owned or used on or before
9 January 1, 1985 and subsequently acquired by an
10 exchange of like property shall not receive the
11 benefits of this section.

12 5 e. Property which was acquired after January 1,
13 1985 and subsequently exchanged for like property
14 shall not receive any additional benefits under this
15 section.

16 6 f. Property acquired on or before January 1,
17 1985 which is subsequently leased to a taxpayer or
18 related person who previously owned the property shall
19 not receive the benefits of this section.

20 7 g. Property acquired after January 1, 1985 which
21 is subsequently leased to a taxpayer or related person
22 who previously owned the property shall not receive
23 any additional benefits under this section.

24 ~~h. For purposes of this section, "related~~ "Related
25 person" means a person who owns or controls the
26 taxpayer's business and another business entity from
27 which property is acquired or leased or to which
28 property is sold or leased. Business entities are
29 owned or controlled by the same person if the same
30 person directly or indirectly owns or controls fifty
31 percent or more of the assets or any class of stock or
32 who directly or indirectly has an interest of fifty
33 percent or more in the ownership or profits.

34 3. Property assessed pursuant to this section
35 shall not be eligible to receive a partial exemption
36 under sections 427B.1 to 427B.6.

37 4. a. A city governing body or county board of
38 supervisors may provide by ordinance an exemption from
39 taxation for property defined in this section whose
40 valuation is computed pursuant to subsection 1, and
41 which is acquired after December 31, 1992. The
42 ordinance may be enacted not less than thirty days
43 after a public hearing on the ordinance is held.
44 Notice of the hearing shall be published in accordance
45 with section 331.305 in the case of a county, or
46 section 362.3 in the case of a city. The exemption
47 shall not apply to any property acquired or initially
48 leased prior to the enactment of the ordinance unless
49 the ordinance specifically allows for retroactive
50 application.

S-3330

-2-

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Page 3

1 b. If in the opinion of the city governing body or
 2 the county board of supervisors continuation of the
 3 exemption granted under this subsection ceases to be
 4 of benefit to the city or county, the city governing
 5 board or the county board of supervisors may repeal
 6 the ordinance authorized by this subsection.
 7 Exemptions allowed prior to repeal of the ordinance
 8 shall continue until their expiration."

By WAYNE BENNETT

WILMER RENSINK

RANDAL J. GIANNETTO

BRAD BANKS

MAGGIE TINSMAN

S-3330 FILED MARCH 31, 1993

*out of order
4/20/93*

(p. 1246)

1 Section 1. Section 427.1, subsection 32, Code 1993, is
2 amended to read as follows:

3 32. POLLUTION CONTROL AND RECYCLING. Pollution-control or
4 recycling property as defined in this subsection shall be
5 exempt from taxation to the extent provided in this
6 subsection, upon compliance with the provisions of this
7 subsection.

8 This exemption shall apply to new installations of
9 pollution-control or recycling property beginning on January 1
10 after the construction or installation of the property is
11 completed. This exemption shall apply beginning on January 1,
12 1975, to existing pollution-control property if its
13 construction or installation was completed after September 23,
14 1970 and this exemption shall apply beginning January 1, 1994,
15 to recycling property.

16 This exemption shall be limited to the market value, as
17 defined in section 441.21, of the pollution-control or
18 recycling property. If the pollution-control or recycling
19 property is assessed with other property as a unit, this
20 exemption shall be limited to the net market value added by
21 the pollution-control or recycling property, determined as of
22 the assessment date.

23 Application for this exemption shall be filed with the
24 assessing authority not later than the first of February of
25 the first year for which the exemption is requested, on forms
26 provided by the department of revenue and finance. The
27 application shall describe and locate the specific pollution-
28 control or recycling property to be exempted.

29 The application for a specific pollution-control or
30 recycling property shall be accompanied by a certificate of
31 the administrator of the environmental protection division of
32 the department of natural resources certifying that the
33 primary use of the pollution-control property is to control or
34 abate pollution of any air or water of this state or to
35 enhance the quality of any air or water of this state or, if

1 the property is recycling property, that the primary use of
2 the property is for recycling.

3 A taxpayer may seek judicial review of a determination of
4 the administrator of the environmental protection division or,
5 on appeal, of the environmental protection commission in
6 accordance with the provisions of chapter 17A.

7 The environmental protection commission of the department
8 of natural resources shall adopt rules relating to
9 certification under this subsection and information to be
10 submitted for evaluating pollution-control or recycling
11 property for which a certificate is requested. The department
12 of revenue and finance shall adopt any rules necessary to
13 implement this subsection, including rules on identification
14 and valuation of pollution-control or recycling property. All
15 rules adopted shall be subject to the provisions of chapter
16 17A.

17 For the purposes of this subsection "pollution-control
18 property" means personal property or improvements to real
19 property, or any portion thereof, used primarily to control or
20 abate pollution of any air or water of this state or used
21 primarily to enhance the quality of any air or water of this
22 state and "recycling property" means personal property or
23 improvements to real property or any portion of the property,
24 used primarily in the manufacturing process and resulting
25 directly in the conversion of waste plastic, wastepaper
26 product, or waste paperboard, into new raw materials or
27 products composed primarily of recycled material. In the
28 event such property shall also serve other purposes or uses of
29 productive benefit to the owner of the property, only such
30 portion of the assessed valuation thereof as may reasonably be
31 calculated to be necessary for and devoted to the control or
32 abatement of pollution or, to the enhancement of the quality
33 of the air or water of this state, or for recycling shall be
34 exempt from taxation under this subsection.

35 For the purposes of this subsection "pollution" means air

1 pollution as defined in section 455B.131 or water pollution as
2 defined in section 455B.171. "Water of the state" means the
3 water of the state as defined in section 455B.171. "Enhance
4 the quality" means to diminish the level of pollutants below
5 the air or water quality standards established by the
6 environmental protection commission of the department of
7 natural resources.

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HUSAK, CH.
BONNETT
ROSENBERG

SSB 264
WAYS & MEANS

SENATE FILE 405
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON DIELEMAN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act extending the pollution control equipment property tax
2 exemption to property used for the recycling of waste plastic,
3 wastepaper products, and waste paperboard.

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

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2 amended to read as follows:

3 32. POLLUTION CONTROL AND RECYCLING. Pollution-control or
4 recycling property as defined in this subsection shall be
5 exempt from taxation to the extent provided in this
6 subsection, upon compliance with the provisions of this
7 subsection.

8 This exemption shall apply to new installations of
9 pollution-control or recycling property beginning on January 1
10 after the construction or installation of the property is
11 completed. This exemption shall apply beginning on January 1,
12 1975, to existing pollution-control property if its
13 construction or installation was completed after September 23,
14 1970 and this exemption shall apply beginning January 1, 1994,
15 to recycling property.

16 This exemption shall be limited to the market value, as
17 defined in section 441.21, of the pollution-control or
18 recycling property. If the pollution-control or recycling
19 property is assessed with other property as a unit, this
20 exemption shall be limited to the net market value added by
21 the pollution-control or recycling property, determined as of
22 the assessment date.

23 Application for this exemption shall be filed with the
24 assessing authority not later than the first of February of
25 the first year for which the exemption is requested, on forms
26 provided by the department of revenue and finance. The
27 application shall describe and locate the specific pollution-
28 control or recycling property to be exempted.

29 The application for a specific pollution-control or
30 recycling property shall be accompanied by a certificate of
31 the administrator of the environmental protection division of
32 the department of natural resources certifying that the
33 primary use of the pollution-control property is to control or
34 abate pollution of any air or water of this state or to
35 enhance the quality of any air or water of this state or, if

1 the property is recycling property, that the primary use of
2 the property is for recycling.

3 A taxpayer may seek judicial review of a determination of
4 the administrator of the environmental protection division or,
5 on appeal, of the environmental protection commission in
6 accordance with the provisions of chapter 17A.

7 The environmental protection commission of the department
8 of natural resources shall adopt rules relating to
9 certification under this subsection and information to be
10 submitted for evaluating pollution-control or recycling
11 property for which a certificate is requested. The department
12 of revenue and finance shall adopt any rules necessary to
13 implement this subsection, including rules on identification
14 and valuation of pollution-control or recycling property. All
15 rules adopted shall be subject to the provisions of chapter
16 17A.

17 For the purposes of this subsection "pollution-control
18 property" means personal property or improvements to real
19 property, or any portion thereof, used primarily to control or
20 abate pollution of any air or water of this state or used
21 primarily to enhance the quality of any air or water of this
22 state and "recycling property" means personal property or
23 improvements to real property or any portion of the property,
24 used primarily in a process that converts waste plastic,
25 wastepaper product, or waste paperboard, into new raw
26 materials or products composed primarily of recycled material.
27 In the event such property shall also serve other purposes or
28 uses of productive benefit to the owner of the property, only
29 such portion of the assessed valuation thereof as may
30 reasonably be calculated to be necessary for and devoted to
31 the control or abatement of pollution ~~or~~, to the enhancement
32 of the quality of the air or water of this state, or for
33 recycling shall be exempt from taxation under this subsection.

34 For the purposes of this subsection "pollution" means air
35 pollution as defined in section 455B.131 or water pollution as

1 defined in section 455B.171. "Water of the state" means the
2 water of the state as defined in section 455B.171. "Enhance
3 the quality" means to diminish the level of pollutants below
4 the air or water quality standards established by the
5 environmental protection commission of the department of
6 natural resources.

7

EXPLANATION

8 This bill extends the pollution-control equipment property
9 tax exemption to property used to recycle waste plastic,
10 wastepaper products, or waste paperboard.

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exempt from taxation to the extent provided in this subsection, upon compliance with the provisions of this subsection.

This exemption shall apply to new installations of pollution-control or recycling property beginning on January 1 after the construction or installation of the property is completed. This exemption shall apply beginning on January 1, 1975, to existing pollution-control property if its construction or installation was completed after September 23, 1970 and this exemption shall apply beginning January 1, 1994, to recycling property.

This exemption shall be limited to the market value, as defined in section 441.21, of the pollution-control or recycling property. If the pollution-control or recycling property is assessed with other property as a unit, this exemption shall be limited to the net market value added by the pollution-control or recycling property, determined as of the assessment date.

Application for this exemption shall be filed with the assessing authority not later than the first of February of the first year for which the exemption is requested, on forms provided by the department of revenue and finance. The application shall describe and locate the specific pollution-control or recycling property to be exempted.

The application for a specific pollution-control or recycling property shall be accompanied by a certificate of the administrator of the environmental protection division of the department of natural resources certifying that the primary use of the pollution-control property is to control or abate pollution of any air or water of this state or to enhance the quality of any air or water of this state or, if the property is recycling property, that the primary use of the property is for recycling.

A taxpayer may seek judicial review of a determination of the administrator of the environmental protection division or,

SENATE FILE 405

AN ACT

EXTENDING THE POLLUTION CONTROL EQUIPMENT PROPERTY TAX EXEMPTION TO PROPERTY USED FOR THE RECYCLING OF WASTE PLASTIC, WASTEPAPER PRODUCTS, AND WASTE PAPERBOARD.

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

Section 1. Section 427.1, subsection 32, Code 1993, is amended to read as follows:

32. POLLUTION CONTROL AND RECYCLING. Pollution-control or recycling property as defined in this subsection shall be

on appeal, of the environmental protection commission in accordance with the provisions of chapter 17A.

The environmental protection commission of the department of natural resources shall adopt rules relating to certification under this subsection and information to be submitted for evaluating pollution-control or recycling property for which a certificate is requested. The department of revenue and finance shall adopt any rules necessary to implement this subsection, including rules on identification and valuation of pollution-control or recycling property. All rules adopted shall be subject to the provisions of chapter 17A.

For the purposes of this subsection "pollution-control property" means personal property or improvements to real property, or any portion thereof, used primarily to control or abate pollution of any air or water of this state or used primarily to enhance the quality of any air or water of this state and "recycling property" means personal property or improvements to real property or any portion of the property, used primarily in the manufacturing process and resulting directly in the conversion of waste plastic, wastepaper product, or waste paperboard, into new raw materials or products composed primarily of recycled material. In the event such property shall also serve other purposes or uses of productive benefit to the owner of the property, only such portion of the assessed valuation thereof as may reasonably be calculated to be necessary for and devoted to the control or abatement of pollution or, to the enhancement of the quality of the air or water of this state, or for recycling shall be exempt from taxation under this subsection.

For the purposes of this subsection "pollution" means air pollution as defined in section 455B.131 or water pollution as defined in section 455B.171. "Water of the state" means the water of the state as defined in section 455B.171. "Enhance the quality" means to diminish the level of pollutants below

the air or water quality standards established by the environmental protection commission of the department of natural resources.

LEONARD L. BOSWELL
President of the Senate

HAROLD VAN MAANEN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 405, Seventy-fifth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved May 25, 1993

TERRY E. BRANSTAD
Governor