

SENATE FILE 2391
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3197)

Passed Senate, Date 4-4-06 Passed House, Date 4-6-06
Vote: Ayes 50 Nays 0 Vote: Ayes 91 Nays 8
Approved _____

A BILL FOR

1 An Act relating to the assessment for property taxation purposes
2 of machinery, equipment, and fixtures used at concrete mixing
3 facilities and hot mix asphalt facilities and including
4 effective date and retroactive applicability date provisions.

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

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SF 2391

1 Section 1. Section 427A.1, subsection 1, paragraph c, Code
2 2005, is amended to read as follows:

3 c. Buildings, structures or improvements, any of which are
4 constructed on or in the land, attached to the land, or placed
5 upon a foundation whether or not attached to the foundation.
6 However, property taxed under chapter 435 and property that is
7 a concrete batch plant as that term is defined in subsection 4
8 shall not be assessed and taxed as real property.

9 Sec. 2. Section 427A.1, subsection 4, Code 2005, is
10 amended to read as follows:

11 4. Notwithstanding the definition of "attached" in
12 subsection 2, property is not "attached" if ~~it~~ any of the
13 following conditions are met:

14 a. It is a fixture used for cooking, refrigeration, or
15 freezing of value-added agricultural products, used in value-
16 added agricultural processing or used in direct support of
17 value-added agricultural processing. For purposes of this
18 subsection, "direct support" includes storage by public
19 refrigerated warehouses for processors of value-added
20 agricultural products. Such fixtures shall not be considered
21 "attached" whether owned directly by the processor or
22 warehouse operator or by another who leases the fixture to the
23 processor or warehouse operator. This subsection paragraph
24 shall not apply to fixtures used primarily for retail sale or
25 display.

26 b. It is a concrete batch plant. A "concrete batch plant"
27 is the machinery, equipment, and fixtures used at a concrete
28 mixing facility to process cement dry additive and other raw
29 materials into concrete.

30 c. It is a hot mix asphalt facility.

31 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.
32 This Act, being deemed of immediate importance, takes effect
33 upon enactment and applies retroactively to January 1, 2006,
34 for assessment years beginning on or after that date.

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EXPLANATION

1 This bill provides that machinery, equipment, and fixtures
2 used to process raw materials into concrete at a concrete
3 mixing facility are not buildings, structures, and
4 improvements that are not assessed and taxed as real property
5 for purposes of property taxation. The bill also provides
6 that such machinery, equipment, and fixtures are not
7 considered attached for purposes of property taxation. The
8 bill further provides that a hot mix asphalt facility is not
9 considered attached for purposes of property taxation.

10 The bill takes effect upon enactment and applies
11 retroactively to assessment years beginning on or after
12 January 1, 2006.

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Zieman co-chair
Danielson co-chair
Wleck
McCoy

SSB# 3197
Ways + Means

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO-CHAIRPERSON ZIEMAN)

Succeeded By
HF 2391

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

A BILL FOR

1 An Act relating to the assessment for property taxation purposes
2 of machinery, equipment, and fixtures used at concrete mixing
3 facilities and including effective date and retroactive
4 applicability date provisions.

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

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1 Section 1. Section 427A.1, subsection 1, paragraph c, Code
2 2005, is amended to read as follows:

3 c. Buildings, structures or improvements, any of which are
4 constructed on or in the land, attached to the land, or placed
5 upon a foundation whether or not attached to the foundation.
6 However, property taxed under chapter 435 and property that is
7 a concrete batch plant as that term is defined in subsection 4
8 shall not be assessed and taxed as real property.

9 Sec. 2. Section 427A.1, subsection 4, Code 2005, is
10 amended to read as follows:

11 4. Notwithstanding the definition of "attached" in
12 subsection 2, property is not "attached" if ~~it~~ either of the
13 following conditions are met:

14 a. It is a fixture used for cooking, refrigeration, or
15 freezing of value-added agricultural products, used in value-
16 added agricultural processing or used in direct support of
17 value-added agricultural processing. For purposes of this
18 subsection, "direct support" includes storage by public
19 refrigerated warehouses for processors of value-added
20 agricultural products. Such fixtures shall not be considered
21 "attached" whether owned directly by the processor or
22 warehouse operator or by another who leases the fixture to the
23 processor or warehouse operator. This subsection paragraph
24 shall not apply to fixtures used primarily for retail sale or
25 display.

26 b. It is a concrete batch plant. A "concrete batch plant"
27 is the machinery, equipment, and fixtures used at a concrete
28 mixing facility to process cement dry additive and other raw
29 materials into concrete or used in direct support of such
30 processing. For purposes of this paragraph, "direct support"
31 includes storage of raw materials used in processing. Such
32 fixtures shall not be considered "attached" whether owned
33 directly by the processor or by another who leases the fixture
34 to the processor.

35 Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

1 This Act, being deemed of immediate importance, takes effect
2 upon enactment and applies retroactively to January 1, 2005,
3 for assessment years beginning on or after that date.

4 EXPLANATION

5 This bill provides that machinery, equipment, and fixtures
6 used to process raw materials into concrete at a concrete
7 mixing facility are not buildings, structures, and
8 improvements that are not assessed and taxed as real property
9 for purposes of property taxation. The bill also provides
10 that such machinery, equipment, and fixtures are not
11 considered attached for purposes of property taxation.

12 The bill takes effect upon enactment and applies
13 retroactively to assessment years beginning on or after
14 January 1, 2005.

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SENATE FILE 2391

AN ACT

RELATING TO THE ASSESSMENT FOR PROPERTY TAXATION PURPOSES OF MACHINERY, EQUIPMENT, AND FIXTURES USED AT CONCRETE MIXING FACILITIES AND HOT MIX ASPHALT FACILITIES AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY DATE PROVISIONS.

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

Section 1. Section 427A.1, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. Buildings, structures or improvements, any of which are constructed on or in the land, attached to the land, or placed upon a foundation whether or not attached to the foundation. However, property taxed under chapter 435 and property that is a concrete batch plant as that term is defined in subsection 4 shall not be assessed and taxed as real property.

Sec. 2. Section 427A.1, subsection 4, Code 2005, is amended to read as follows:

4. Notwithstanding the definition of "attached" in subsection 2, property is not "attached" if it any of the following conditions are met:

a. It is a fixture used for cooking, refrigeration, or freezing of value-added agricultural products, used in value-added agricultural processing or used in direct support of value-added agricultural processing. For purposes of this subsection, "direct support" includes storage by public refrigerated warehouses for processors of value-added agricultural products. Such fixtures shall not be considered "attached" whether owned directly by the processor or warehouse operator or by another who leases the fixture to the processor or warehouse operator. This subsection paragraph

shall not apply to fixtures used primarily for retail sale or display.

b. It is a concrete batch plant. A "concrete batch plant" is the machinery, equipment, and fixtures used at a concrete mixing facility to process cement dry additive and other raw materials into concrete.

c. It is a hot mix asphalt facility.

Sec. 3. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2006, for assessment years beginning on or after that date.

JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2391, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2006

THOMAS J. VILSACK
Governor