

427B.17 Property subject to special valuation.

1. For purposes of [this section](#):

a. “*Electric power generating plant*” means any nameplate rated electric power generating plant, in which electric energy is produced from other forms of energy, including all taxable land, buildings, and equipment used in the production of such energy.

b. “*Net acquisition cost*” means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

c. “*Net actual generation*” means net electrical megawatt hours produced by the unit during the preceding assessment year.

d. “*Net capacity factor*” means net actual generation divided by the product of net maximum capacity times the number of hours the unit was in the active state during the assessment year. Upon commissioning, a unit is in the active state until it is decommissioned.

e. “*Net maximum capacity*” means the capacity the unit can sustain over a specified period when not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.

2. For property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, the taxpayer’s valuation shall be limited to thirty percent of the net acquisition cost of the property, except as otherwise provided in [subsections 3 and 4](#).

3. Property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, which is first assessed for taxation in this state on or after January 1, 1995, shall be exempt from taxation.

4. Property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, and assessed under [subsection 2](#) of [this section](#), shall be valued by the local assessor as follows for the following assessment years:

a. For the assessment year beginning January 1, 1999, at twenty-two percent of the net acquisition cost.

b. For the assessment year beginning January 1, 2000, at fourteen percent of the net acquisition cost.

c. For the assessment year beginning January 1, 2001, at six percent of the net acquisition cost.

d. For the assessment year beginning January 1, 2002, and succeeding assessment years, at zero percent of the net acquisition cost.

5. Property assessed pursuant to [this section](#) shall not be eligible to receive a partial exemption under [sections 427B.1 through 427B.5](#).

6. For the purpose of dividing taxes under [section 260E.4](#), the employer’s or business’s valuation of property defined in [section 427A.1, subsection 1](#), paragraphs “e” and “j”, and used to fund a new jobs training project which project’s first written agreement providing for a division of taxes as provided in [section 403.19](#) is approved on or before June 30, 1995, shall be limited to thirty percent of the net acquisition cost of the property. The community college shall notify the assessor by February 15 of each assessment year if taxes levied against such property of an employer or business will be used to finance a project in the following fiscal year. In any fiscal year in which the community college does rely on taxes levied against an employer’s or business’s property defined in [section 427A.1, subsection 1](#), paragraph “e” or “j”, to finance a project, such property shall not be valued pursuant to [subsection 3 or 4](#), whichever is applicable, for that fiscal year. An employer’s or business’s taxable property used to fund a new jobs training project shall not be valued pursuant to [subsection 3 or 4](#), whichever is applicable, until the assessment year following the calendar year in which the certificates or other funding obligations have been retired or escrowed. If the certificates issued, or other funding obligations incurred, between January 1, 1982, and June 30, 1995, are refinanced or refunded after June 30, 1995, the valuation of such property shall then be the valuation specified in [subsection 3 or 4](#), whichever is applicable, for the applicable assessment year beginning with the assessment year following the calendar year in which those certificates or other funding obligations are refinanced or refunded after June 30, 1995.

7. Notwithstanding [subsection 8](#) or any other provision to the contrary, [this section](#) shall be applicable to a new cogeneration facility subject to the assessed value provisions of [section 437A.16A](#), but the exemptions provided in [this section](#) shall be reduced by an amount

bearing the same ratio to the value of the property that is exempt pursuant to [this section](#) as the allowable credit under [section 437A.16A, subsection 1](#), bears to the assessable value of the entire new cogeneration facility before the application of any abatements, credits, or exemptions against that value.

8. a. [This section](#) shall not apply to property assessed by the department of revenue pursuant to [sections 428.24 through 428.29](#), or [chapters 434, 437, 437A, 437B, and 438](#), and such property shall not receive the benefits of [this section](#).

b. Any electric power generating plant which operated during the preceding assessment year at a net capacity factor of more than twenty percent, shall not receive the benefits of [this section](#).

85 Acts, ch 32, §109; 93 Acts, ch 180, §12; 95 Acts, ch 206, §29; 96 Acts, ch 1049, §2, 3, 9; 96 Acts, ch 1180, §18; 97 Acts, ch 66, §1, 2; 2002 Acts, ch 1150, §11; 2003 Acts, ch 145, §286; 2005 Acts, ch 150, §64, 69; 2011 Acts, ch 104, §1, 2; 2013 Acts, ch 90, §105; 2013 Acts, ch 94, §5, 35, 36; 2018 Acts, ch 1026, §139; 2018 Acts, ch 1158, §12, 28; 2025 Acts, ch 136, §52, 59

Referred to in [§427B.19, 427B.19A, 427B.19C, 427B.19D, 437A.3](#)

2025 amendment to subsection 8, paragraph b effective December 31, 2025; 2025 Acts, ch 136, §59
Subsection 8, paragraph b amended