

# Senate File 459 - Introduced

SENATE FILE \_\_\_\_\_  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 426)  
(SUCCESSOR TO SSB 1292)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing a property tax exemption for construction or  
2 installation of a geothermal heating or cooling system and  
3 including an applicability date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2239SZ 83  
6 rn/sc/8

PAG LIN

1 1 Section 1. Section 427.1, Code 2009, is amended by adding  
2 the following new subsection:  
1 3 NEW SUBSECTION. 37. a. GEOTHERMAL HEATING OR COOLING  
1 4 SYSTEM. The value added by any new or refitted construction  
1 5 or installation of a geothermal heating or cooling system on  
1 6 or after July 1, 2009, on property classified as residential.  
1 7 The exemption shall be allowed for ten years. The exemption  
1 8 shall apply to any value added by the addition of mechanical,  
1 9 electrical, plumbing, ductwork, or other equipment, labor, and  
1 10 expenses included in or required for the construction or  
1 11 installation of the geothermal system, as well as the  
1 12 proportionate value of any well field associated with the  
1 13 system and attributable to the owner.  
1 14 b. A person claiming an exemption under this subsection  
1 15 shall obtain the appropriate forms from the assessor. The  
1 16 forms shall be prescribed by the director of revenue. The  
1 17 claim shall be filed no later than February 1 of the first  
1 18 assessment year the exemption is requested and shall contain  
1 19 information pertaining to all costs and other information  
1 20 associated with construction or installation of the system.  
1 21 Once the exemption is allowed, the exemption shall continue to  
1 22 be allowed for ten consecutive years without further filing as  
1 23 long as the property remains residential.  
1 24 c. The director of revenue shall adopt rules to implement  
1 25 this section.  
1 26 Sec. 2. APPLICABILITY DATE. This Act applies to  
1 27 assessment years beginning on or after January 1, 2010.

### EXPLANATION

1 29 This bill provides a property tax exemption for the value  
1 30 added to residential property from the construction or  
1 31 installation, on or after July 1, 2009, of a geothermal  
1 32 heating or cooling system. The bill provides that the  
1 33 exemption will be allowed for 10 years, and applies to any  
1 34 value added by the addition of mechanical, electrical,  
1 35 plumbing, ductwork, or other equipment, labor, and expenses  
2 1 involved with the construction or installation, along with the  
2 2 proportionate value of any well field associated with the  
2 3 system and attributable to the owner.  
2 4 The bill specifies procedures regarding claiming the  
2 5 exemption, and provides that the director of the department of  
2 6 revenue shall adopt rules to implement the bill's provisions.  
2 7 The bill applies to assessment years beginning on or after  
2 8 January 1, 2010.  
2 9 LSB 2239SZ 83  
2 10 rn/sc/8