

**House File 2452 - Introduced**

HOUSE FILE 2452

BY ISENHART

**A BILL FOR**

1 An Act establishing a property tax exemption for property  
2 meeting specified energy efficiency and environmental  
3 quality standards and meeting certain utility grid  
4 standards.

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

1 Section 1. Section 427.1, Code Supplement 2011, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 38. *Energy-efficient, sustainable*  
4 *development, water saving, and environmental quality property.*

5 a. For assessment years beginning on or after January 1,  
6 2013, the exemption provided under this subsection for each  
7 eligible property is limited to one of the following:

8 (1) Two percent of the amount of actual value of the  
9 permanent improvements to the property if the property was  
10 certified by the United States green building council during  
11 the previous five years as meeting or exceeding the LEED silver  
12 rating.

13 (2) Five percent of the amount of actual value of the  
14 permanent improvements to the property if the property was  
15 certified by the United States green building council during  
16 the previous five years as meeting or exceeding the LEED gold  
17 rating and certified as being smart grid-ready.

18 (3) Ten percent of the amount of actual value of the  
19 permanent improvements to the property if the property was  
20 certified by the United States green building council during  
21 the previous five years as meeting or exceeding the LEED  
22 platinum rating and certified as being smart grid-ready as  
23 defined in paragraph "b", subparagraph (6), subparagraph  
24 division (c).

25 b. For the purposes of this subsection:

26 (1) "*Demand response program*" means a system with the  
27 capability to reduce or change an electrical energy customer's  
28 normal or typical electrical energy consumption in response  
29 to specified circumstances or in response to peak electrical  
30 energy demand events.

31 (2) "*LEED silver rating*" means the United States green  
32 building council leadership in energy and environmental design  
33 green building rating system, version 3.0, referred to as the  
34 silver standard.

35 (3) "*LEED gold rating*" means the United States green

1 building council leadership in energy and environmental design  
2 green building rating system, version 3.0, referred to as the  
3 gold standard.

4 (4) "*LEED platinum rating*" means the United States green  
5 building council leadership in energy and environmental design  
6 green building rating system, version 3.0, referred to as the  
7 platinum standard.

8 (5) "*Smart grid*" means a digital network as part of  
9 an electrical energy grid that connects electrical energy  
10 providers through two-way communications with electrical energy  
11 delivery systems and electrical energy customers to make energy  
12 generation and delivery systems more efficient and to increase  
13 electrical energy grid reliability.

14 (6) "*Smart grid-ready*" means that a property is one of the  
15 following:

16 (a) Determined to have the ability to participate in a  
17 demand response program.

18 (b) Determined to be capable of being connected to a smart  
19 grid.

20 (c) Determined to be connected to a smart grid and  
21 determined to be participating in a demand response program.

22 *c.* Each taxpayer claiming an exemption under this subsection  
23 shall file with the assessor not later than February 1 of the  
24 assessment year for which the exemption is first requested,  
25 a statement upon forms to be prescribed by the director  
26 of revenue specifying the applicable LEED rating and, if  
27 applicable, the smart grid requirements that have been  
28 certified for the property during the previous five years  
29 by the United States green building council. The statement  
30 shall be accompanied by other supporting documentation of the  
31 certification as required by the department of revenue.

32 *d.* Once the exemption is granted, the exemption shall be  
33 allowed for five assessment years without further filing so  
34 long as the permanent improvements to the property continue  
35 to meet the applicable requirements for the exemption. The

1 taxpayer shall notify the assessing authority if during the  
2 five-year exemption period, the property ceases to meet the  
3 applicable requirements for the exemption.

4 e. Following the expiration of the exemption under paragraph  
5 "d", the property shall not be eligible for another exemption  
6 under this subsection.

7 Sec. 2. IMPLEMENTATION. Section 25B.7 shall not apply to  
8 this Act.

9 EXPLANATION

10 This bill establishes a property tax exemption for property  
11 meeting specified energy efficiency and environmental quality  
12 standards. For assessment years beginning on or after January  
13 1, 2013, the exemption provided in the bill for each eligible  
14 property is limited to one of the following: (1) 2 percent  
15 of the amount of actual value of the permanent improvements  
16 to the property if the property was certified by the United  
17 States green building council during the previous five years  
18 as meeting or exceeding the LEED silver rating, as defined in  
19 the bill; (2) 5 percent of the amount of actual value of the  
20 permanent improvements to the property if the property was  
21 certified by the United States green building council during  
22 the previous five years as meeting or exceeding the LEED gold  
23 rating, as defined in the bill, and as being smart grid-ready,  
24 as defined in the bill; and (3) 10 percent of the amount of  
25 actual value of the permanent improvements to the property if  
26 the property was certified by the United States green building  
27 council during the previous five years as meeting or exceeding  
28 the LEED platinum rating, as defined in the bill, and as being  
29 smart grid-ready, defined in the bill as being connected to a  
30 smart grid and participating in a demand response program.

31 The bill requires each taxpayer claiming an exemption  
32 to file with the assessor not later than February 1 of the  
33 assessment year for which the exemption is first requested,  
34 a statement upon forms to be prescribed by the director  
35 of revenue specifying the applicable LEED rating and, if

1 applicable, the smart grid requirements that have been  
2 certified by the United States green building council during  
3 the previous five years for the property. This statement must  
4 also be accompanied by other supporting documentation of the  
5 certification as required by the department of revenue.

6 If granted, the exemption continues for five assessment  
7 years without further filing as long as the permanent  
8 improvements to the property continue to meet the applicable  
9 requirements for the exemption. The taxpayer is required  
10 to notify the assessing authority if during the five-year  
11 exemption period, the property ceases to meet the applicable  
12 requirements for the exemption.

13 The bill provides that following expiration of the  
14 exemption, the property is not eligible for the exemption under  
15 the bill in any future assessment year.

16 The bill provides that the provisions in Code section 25B.7,  
17 relating to the obligation of the state to reimburse local  
18 jurisdictions for property tax credits and exemptions, do not  
19 apply to the exemption in the bill.