

House File 48 - Introduced

HOUSE FILE 48

BY T. OLSON

A BILL FOR

1 An Act relating to property tax valuation and exemption of
2 value added by installation of certain geothermal, solar,
3 and wind energy property.

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

1 Section 1. Section 427.1, subsection 38, paragraphs a and b,
2 Code 2013, are amended to read as follows:

3 a. The value added by any new or refitted construction or
4 installation of a geothermal heating or cooling system on or
5 after July 1, 2012, on property classified as residential.
6 ~~The exemption shall be allowed for ten consecutive years.~~
7 The exemption shall apply to any value added by the addition
8 of mechanical, electrical, plumbing, ductwork, or other
9 equipment, labor, and expenses included in or required for the
10 construction or installation of the geothermal system, as well
11 as the proportionate value of any well field associated with
12 the system and attributable to the owner.

13 b. A person claiming an exemption under this subsection
14 shall obtain the appropriate forms from the assessor. The
15 forms shall be prescribed by the director of revenue. The
16 claim shall be filed no later than February 1 of the first
17 assessment year the exemption is requested and shall contain
18 information pertaining to all costs and other information
19 associated with construction and installation of the system.
20 Once the exemption is allowed, the exemption shall continue to
21 be allowed ~~for ten consecutive years~~ without further filing as
22 long as the property continues to be classified as residential
23 property.

24 Sec. 2. Section 441.21, subsection 8, paragraphs b and c,
25 Code 2013, are amended to read as follows:

26 b. Notwithstanding paragraph "a", any construction or
27 installation of a solar energy system on property classified as
28 agricultural, residential, commercial, or industrial property
29 shall not increase the actual, assessed, and taxable values of
30 the property ~~for five full assessment years~~.

31 c. As used in this subsection, "solar energy system" means
32 either of the following:

33 (1) A system of equipment capable of collecting and
34 converting incident solar radiation or wind energy into
35 thermal, mechanical or electrical energy and transforming these

1 forms of energy by a separate apparatus to storage or to a
2 point of use which is constructed or installed after January
3 1, ~~1978~~ 2008.

4 (2) A system that uses the basic design of the building to
5 maximize solar heat gain during the cold season and to minimize
6 solar heat gain in the hot season and that uses natural
7 means to collect, store, and distribute solar energy which is
8 constructed or installed after January 1, ~~1981~~ 2008.

9 Sec. 3. IMPLEMENTATION OF ACT. Section 25B.7 shall not
10 apply to this Act.

11 EXPLANATION

12 In 2012, a property tax exemption was enacted for the value
13 added by any new or refitted construction or installation of
14 a geothermal heating or cooling system on or after July 1,
15 2012, on property classified as residential. The exemption
16 is allowed for 10 consecutive years following application and
17 approval. This bill removes the 10-year limitation on the
18 exemption.

19 Current Code section 441.21(8) provides that any
20 construction or installation of a solar energy system on
21 property classified as agricultural, residential, commercial,
22 or industrial property shall not increase the actual, assessed,
23 and taxable values of the property for five full assessment
24 years. The bill removes the five-year limitation and specifies
25 that such added value of solar energy systems constructed or
26 installed after January 1, 2008, is exempt from taxation.

27 Code section 441.21(8) defines "solar energy system" to
28 mean either: (1) a system of equipment capable of collecting
29 and converting incident solar radiation or wind energy into
30 thermal, mechanical, or electrical energy and transforming
31 these forms of energy by a separate apparatus to storage or to
32 a point of use or (2) a system that uses the basic design of
33 the building to maximize solar heat gain during the cold season
34 and to minimize solar heat gain in the hot season and that uses
35 natural means to collect, store, and distribute solar energy.

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1 The bill provides that the provisions in Code section 25B.7,
2 relating to the obligation of the state to reimburse local
3 jurisdictions for property tax credits and exemptions, do not
4 apply to the exemptions in the bill.