

Senate File 2366 - Introduced

SENATE FILE 2366

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3130)

A BILL FOR

1 An Act relating to the assessment and taxation of wind energy
2 conversion property and including effective date and
3 retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427B.26, subsection 1, paragraph b, Code
2 2022, is amended to read as follows:

3 b. If in the opinion of the city council or the county
4 board of supervisors continuation of the special valuation
5 provided under [this section](#) ceases to be of benefit to the
6 city or county, the city council or the county board of
7 supervisors may repeal the ordinance authorized by this
8 subsection. Property specially valued under [this section](#) prior
9 to repeal of the ordinance shall continue to be valued under
10 this section until the end of the nineteenth assessment year
11 following the assessment year in which the property was first
12 assessed. Following repeal of the ordinance and conclusion of
13 the applicable nineteen-year period, the wind energy conversion
14 property shall be subject to assessment and taxation under
15 chapter 437A, section 441.21, subsection 8, paragraphs "b", "c",
16 and "d", or sections 428.24 through 428.26, 428.28, and 428.29,
17 as applicable.

18 Sec. 2. Section 427B.26, subsection 2, unnumbered paragraph
19 1, Code 2022, is amended to read as follows:

20 In lieu of the valuation and assessment provisions in
21 [chapter 437A, section 441.21, subsection 8](#), paragraphs "b", "c",
22 and "d", and [sections 428.24 through 428.26, 428.28, and 428.29](#),
23 as applicable, wind energy conversion property which is first
24 assessed for property taxation on or after January 1, 1994,
25 and on or after the effective date of the ordinance enacted
26 pursuant to [subsection 1](#), shall be valued by the local assessor
27 for property tax purposes as follows:

28 Sec. 3. Section 427B.26, subsections 3 and 4, Code 2022, are
29 amended to read as follows:

30 3. a. The taxpayer shall file with the local assessor by
31 February 1 of the assessment year in which the wind energy
32 conversion property is first assessed for property tax
33 purposes, a declaration of intent to have the property assessed
34 at the value determined under [this section](#) in lieu of the
35 valuation and assessment provisions in [chapter 437A, section](#)

1 441.21, subsection 8, paragraphs "b", "c", and "d", and sections
2 428.24 through 428.26, 428.28, and 428.29, as applicable.

3 b. Maintaining, refurbishing, or repowering wind energy
4 conversion property shall not cause the wind energy conversion
5 property to receive a new assessment schedule under subsection
6 2.

7 4. For purposes of this section:

8 a. "Collector substation" means an electrical substation
9 designed to collect energy from multiple electricity-generating
10 sources.

11 ~~a.~~ b. "Net acquisition cost" means the acquired cost of the
12 property including all foundations and installation cost less
13 any excess cost adjustment. However, except in the case of a
14 clerical error, an adjustment shall not be made after the third
15 year the wind energy conversion property is assessed.

16 c. "Repowering" means the removal and replacement of
17 components of wind energy conversion property.

18 ~~b.~~ d. "Wind energy conversion property" means the entire
19 wind plant including, but not limited to, a wind charger,
20 windmill, wind turbine, tower and electrical equipment, pad
21 mount transformers, power lines, and collector substation.

22 Sec. 4. EFFECTIVE DATE. This Act, being deemed of immediate
23 importance, takes effect upon enactment.

24 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
25 retroactively to assessment years beginning on or after January
26 1, 2022.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 Code section 427B.26 governs the special valuation of
31 wind energy conversion property for such property covered by
32 an ordinance adopted by a city council or county board of
33 supervisors.

34 This bill specifies that the special valuation provisions
35 authorized by local ordinance, in addition to other provisions

1 identified in Code section 427B.26, are in lieu of the
2 assessment and taxation provisions of Code chapter 437A
3 (electricity replacement tax).

4 If such ordinance is repealed, property specially valued
5 under Code section 427B.26 shall continue to be valued under
6 that Code section until the end of the 19th assessment year
7 following the assessment year in which the property was first
8 assessed. The bill specifies the other provisions of law that
9 govern the assessment and taxation of such property after
10 conclusion of the applicable 19-year period.

11 The bill also provides that maintaining, refurbishing, or
12 repowering wind energy conversion property shall not cause
13 the wind energy conversion property to receive a new special
14 valuation schedule under Code section 427B.26. The bill
15 defines "repowering" and modifies the definition of "wind
16 energy conversion property" to specify that substations that
17 are "collector substations", as defined in the bill, are wind
18 energy conversion property. The bill also specifies that, for
19 purposes of determining net acquisition cost, except for a
20 clerical error, an adjustment shall not be made after the third
21 year the wind energy conversion property is assessed.

22 The bill takes effect upon enactment and applies
23 retroactively to assessment years beginning on or after January
24 1, 2022.