SENATE FILE 2366
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3130)

(As Amended and Passed by the Senate March 30, 2022)
_____ and [= New Language by the Senate

A BILL FOR

An Act relating to the assessment and taxation of wind energy conversion property and including effective date, applicability, and retroactive applicability provisions.

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

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

b. If in the opinion of the city council or the county board of supervisors continuation of the special valuation provided under this section ceases to be of benefit to the city or county, the city council or the county board of supervisors may repeal the ordinance authorized by this subsection. Property specially valued under this section prior to repeal of the ordinance shall continue to be valued under this section until the end of the nineteenth assessment year following the assessment year in which the property was first assessed. Following repeal of the ordinance and conclusion of the applicable nineteen-year period, the wind energy conversion property shall be subject to assessment and taxation under chapter 437A, section 441.21, subsection 8, paragraphs "*b*", "*c*", and "*d*", or sections 428.24 through 428.26, 428.28, and 428.29, as applicable.

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

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

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

3. *a.* The taxpayer shall file with the local assessor by February 1 of the assessment year in which the wind energy conversion property is first assessed for property tax purposes, a declaration of intent to have the property assessed at the value determined under this section in lieu of the valuation and assessment provisions in chapter 437A, section

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

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

4. For purposes of this section:

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

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

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

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

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

Sec. 5. RETROACTIVE APPLICABILITY. Except for section 427B.26, subsection 3, paragraph "b", as enacted in this Act, this Act applies retroactively to assessment years beginning on or after January 1, 2022.

Sec. 6. APPLICABILITY. Section 427B.26, subsection 3, paragraph "b", as enacted in this Act, applies to assessment schedules commenced under section 427B.26, subsection 2, on or after the effective date of this Act.