

view committee in the same manner as provided in section 257.13 and submit an application to the school budget review committee as provided in 289 IAC 7.4. The school budget review committee must receive the application on or before August 15, 2008.

c. Except as otherwise provided in paragraphs “a” and “b”, the school budget review committee shall approve or disapprove the application using the same criteria as if the application had been submitted on November 1, 2006. However, the school budget review committee shall not approve a timely submitted application that it previously considered.

2. a. If the board of directors of a school district determines under section 257.6 that the school district’s actual enrollment for the budget year beginning July 1, 2007, and ending June 30, 2008, was greater than its budget enrollment for the budget year, the district shall be eligible to receive an on-time funding budget adjustment as provided in section 257.13.

b. A school district that wishes to receive an on-time funding budget adjustment under paragraph “a” shall adopt a resolution to receive the adjustment and notify the school budget review committee in the same manner as provided in section 257.13 and submit an application to the school budget review committee as provided in 289 IAC 7.4. The school budget review committee must receive the application on or before August 15, 2008.

c. Except as otherwise provided in paragraphs “a” and “b”, the school budget review committee shall approve or disapprove the application using the same criteria as if the application had been submitted on November 1, 2007. However, the school budget review committee shall not approve a timely submitted application that it previously considered.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 7, 2008

CHAPTER 1143

SPECULATIVE SHELL BUILDING PROPERTY TAX INCENTIVES

S.F. 2419

AN ACT relating to the property tax exemption for speculative shell buildings and including effective and retroactive applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 427.1, subsection 27, Code Supplement 2007, is amended to read as follows:

27. a. SPECULATIVE SHELL BUILDINGS OF CERTAIN ORGANIZATIONS. New construction of shell buildings by community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities for speculative purposes ~~or the portion of the value added to buildings being reconstructed or renovated by community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities in order to become speculative shell buildings as provided in this subsection.~~

b. The exemption shall be for one of the following:

(1) The value added by new construction of a shell building or addition to an existing building or structure by a community development organization, not-for-profit cooperative association under chapter 499, or for-profit entity.

(2) The value of an existing building being reconstructed or renovated, and the value of the land on which the building is located, if the reconstruction or renovation constitutes complete replacement or refitting of the existing building or structure, by a community development organization, not-for-profit cooperative association under chapter 499, or for-profit entity.

c. The exemption or partial exemption shall be allowed only pursuant to ordinance of a city council or board of supervisors, which ordinance shall specify if the exemption will be available for community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities and. If the exemption is for a project described in paragraph "b", subparagraph (1), the exemption shall be effective for the assessment year in which the building is first assessed for property taxation or the assessment year in which the reconstruction or renovation addition to an existing building first adds value and. If the exemption is for a project described in paragraph "b", subparagraph (2), the exemption shall be effective for the assessment year following the assessment year in which the project commences. An exemption allowed under this subsection shall be allowed for all subsequent years until the property is leased or sold or for a specific time period stated in the ordinance or until the exemption is terminated by ordinance of the city council or board of supervisors which approved the exemption. Eligibility for an exemption as a speculative shell building shall be determined as of January 1 of the assessment year. However, an exemption shall not be granted a speculative shell building of a not-for-profit cooperative association under chapter 499 or a for-profit entity if the building is used by the cooperative association or for-profit entity, or a subsidiary or majority owners thereof for other than as a speculative shell building. If the shell building or any portion of the shell building is leased or sold, the portion of the shell building which is leased or sold, and a proportionate share of the land on which it is located if applicable, shall not be entitled to an exemption under this subsection for subsequent years. An application shall be filed pursuant to section 427B.4 for each project for which an exemption is claimed. Upon the sale of the shell building, the shell building shall be considered new construction for purposes of section 427B.1 if used for purposes set forth in section 427B.1.

d. (1) If the speculative shell building project is a speculative shell building project described in paragraph "b", subparagraph (1), an application shall be filed pursuant to section 427B.4 for each such project for which an exemption is claimed.

(2) If the speculative shell building project is a speculative shell building project described in paragraph "b", subparagraph (2), an application shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the project commences. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the director of revenue. The city council or the board of supervisors, by ordinance, shall give its approval of a tax exemption for the project if the project is in conformance with the zoning plans for the city or county. The approval shall also be subject to the hearing requirements of section 427B.1. Approval under this subparagraph (2) entitles the owner to exemption from taxation beginning in the assessment year following the assessment year in which the project commences. However, if the tax exemption for the building and land is not approved, the person may submit an amended proposal to the city council or board of supervisors to approve or reject.

e. For purposes of this subsection the following definitions apply:

a. (1) (a) "Community development organization" means an organization, which meets the membership requirements of subparagraph (2) subdivision (b), formed within a city or county or multicomunity group for one or more of the following purposes:

(a) (i) To promote, stimulate, develop, and advance the business prosperity and economic welfare of the community, area, or region and its citizens.

(b) (ii) To encourage and assist the location of new business and industry.

(c) (iii) To rehabilitate and assist existing business and industry.

(d) (iv) To stimulate and assist in the expansion of business activity.

(2) (b) For purposes of this definition, a community development organization must have at least fifteen members with representation from the following:

- (a) (i) A representative from government at the level or levels corresponding to the community development organization's area of operation.
 - (b) (ii) A representative from a private sector lending institution.
 - (c) (iii) A representative of a community organization in the area.
 - (d) (iv) A representative of business in the area.
 - (e) (v) A representative of private citizens in the community, area, or region.
- b. (2) "New construction" means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. "New construction" also includes reconstruction or renovation of an existing building or structure which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations, not-for-profit cooperative associations under chapter 499, or for-profit entities to market a building or structure as a speculative shell building, which determination must receive prior approval from the city council of the city or county board of supervisors of the county.
- e. (3) "Speculative shell building" means a building or structure owned and constructed or reconstructed by a community development organization, a not-for-profit cooperative association under chapter 499, or a for-profit entity without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer's or user's specification for manufacturing, processing, or warehousing the employer's or user's product line.

Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2007, for projects approved by a city council or board of supervisors prior to that date. Claims for exemption for the 2007 or 2008 or 2009 assessment year shall be filed with the appropriate governing body on or before October 1, 2008.

Approved May 7, 2008

CHAPTER 1144

ENERGY INDEPENDENCE INITIATIVES — MISCELLANEOUS CHANGES

S.F. 2422

AN ACT relating to energy independence initiatives, specifying procedures applicable to Iowa power fund applications, authorizing allocations from the fund, directing that specified payments, repayments, or recaptures made to or received by the board shall be deposited in the fund, authorizing increased allocations for administrative costs, authorizing repayment of audit expenses to the auditor of state, and providing an effective date and applicability provision.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 11.5B, Code 2007, is amended by adding the following new subsection:
NEW SUBSECTION. 15. Office of energy independence.