Succeeded By
SF HF 2208

Sexton, Lundby, Bolkcom

SSB 3102
Natural Resources
SENATE FILE & Environment
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES AND
ENVIRONMENT BILL BY
CHAIRPERSON SEXTON)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

An Act relating to property tax exemptions for pollution-control property associated with confinement feeding operations.
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6596SC 79
da/cls/14

S.F. _____ H.F. _____

Section 1. Section 427.1, subsection 19, unnumbered paragraph 8, Code Supplement 2001, is amended to read as follows:

For the purposes of this subsection, "pollution-control property" means personal property or property that is ~~improvements~~ an improvement to real property, or any portion ~~thereof, used~~ of the property, if the property is used primarily to control or abate air or water pollution ~~of any air or water of~~ in this state or used primarily to enhance ~~the~~ air or water quality ~~of any air or water of~~ in this state ~~and "recycling.~~ "Recycling property" means personal property or property that is ~~improvements~~ an improvement to real property, or any portion of the property, if the property is used primarily in the manufacturing process and ~~resulting~~ results directly in the conversion of waste plastic, wastepaper products, or waste paperboard, into new raw materials or products composed primarily of recycled material. In the event ~~such~~ the property ~~shall~~ also ~~serve other purposes~~ has another purpose or ~~uses~~ use of productive benefit to the owner of the property, only such portion of the assessed valuation ~~thereof~~ of the property as may reasonably be calculated to be necessary for and devoted to the control or abatement of pollution, to the enhancement of the air or water quality ~~of the air or water of~~ in this state, or for recycling shall be exempt from taxation under this subsection. "Pollution-control property" does not include personal or real property that is part of an animal feeding operation structure associated with a confinement feeding operation if the department of natural resources must issue a permit prior to the construction of the animal feeding operation structure pursuant to section 455B.200A.

EXPLANATION

Code section 427.1 provides for a list of classes of property that are not subject to property tax. This bill amends the tax exemption for "pollution-control property" that

is used to control or abate air or water pollution or alternatively to enhance air or water quality.

The bill provides that pollution-control property does not include personal or real property that is part of an animal feeding operation structure associated with a confinement feeding operation if the department of natural resources must issue a permit for the construction of the structure pursuant to Code section 455B.200A. According to that Code section and departmental rule (567 IAC 65.7), an animal feeding operation structure associated with a confinement feeding operation must be constructed pursuant to a permit if the structure is an aerobic structure, anaerobic lagoon, or earthen manure storage basin; the confinement feeding operation uses a formed manure storage structure and has an animal weight capacity of 625,000 pounds or more for animals other than bovine or 1,600,000 pounds or more for bovine; the confinement feeding operation structure provides for the storage of manure exclusively in a dry form and has an animal weight capacity of 1,250,000 pounds or more for animals other than bovine or 4,000,000 pounds or more for bovine; or the confinement feeding operation uses an egg washwater storage structure. Code section 455B.200A provides a specific exception for a small animal feeding operation (having an animal weight capacity of 200,000 pounds or less for animals other than bovine, or 400,000 pounds or less for bovine).

2/20/02 Rereferred to: Ways + Means

FILED FEB 18 2002

SENATE FILE 2208

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SSB 3102)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to property tax exemptions for pollution-control
2 property associated with confinement feeding operations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SF 2208

TLSB 6596SV 79
da/cls/14

S.F. 2208 H.F. _____

Section 1. Section 427.1, subsection 19, unnumbered paragraph 8, Code Supplement 2001, is amended to read as follows:

For the purposes of this subsection, "pollution-control property" means personal property or property that is ~~improvements~~ an improvement to real property, or any portion ~~thereof,-used~~ of the property, if the property is used primarily to control or abate air or water pollution ~~of-any air-or-water-of~~ in this state or used primarily to enhance ~~the~~ air or water quality ~~of-any-air-or-water-of~~ in this state ~~and "recycling.~~ "Recycling property" means personal property or property that is ~~improvements~~ an improvement to real property, or any portion of the property, if the property is used primarily in the manufacturing process and ~~resulting~~ results directly in the conversion of waste plastic, wastepaper products, or waste paperboard, into new raw materials or products composed primarily of recycled material. In the event ~~such~~ the property ~~shall~~ also ~~serve-other-purposes~~ has another purpose or ~~uses~~ use of productive benefit to the owner of the property, only such portion of the assessed valuation ~~thereof~~ of the property as may reasonably be calculated to be necessary for and devoted to the control or abatement of pollution, to the enhancement of the air or water quality ~~of the-air-or-water-of~~ in this state, or for recycling shall be exempt from taxation under this subsection. "Pollution-control property" includes personal or real property that is part of an animal feeding operation structure as defined in section 455B.161, if the agricultural land where the structure is located is eligible for a family farm tax credit as provided in chapter 425A. Otherwise, "pollution-control property" does not include personal or real property that is part of an animal feeding operation structure associated with a confinement feeding operation if the department of natural resources must issue a permit prior to the construction of the animal feeding operation structure pursuant to section

1 455B.200A. The exemption calculated for pollution-control
2 property that is part of an animal feeding operation structure
3 and that is located on agricultural land eligible for the
4 family farm tax credit is limited to the first one hundred
5 thousand dollars in assessed value.

6 EXPLANATION

7 Code section 427.1 provides for a list of classes of
8 property that are not subject to property tax. This bill
9 amends the tax exemption for "pollution-control property" that
10 is used to control or abate air or water pollution or
11 alternatively to enhance air or water quality.
12 The bill provides that pollution-control property includes
13 that part of an animal feeding operation structure that is
14 eligible for a family farm tax credit as provided in Code
15 chapter 425A. Otherwise, it does not include property that is
16 part of such a structure associated with a confinement feeding
17 operation required to obtain a construction permit by the
18 department of natural resources. The exemption calculated for
19 pollution-control property eligible for the family farm tax
20 credit is limited to the first $100,000 in assessed value.
21 According to that Code section and departmental rule (567 IAC
22 65.7), an animal feeding operation structure associated with a
23 confinement feeding operation must be constructed pursuant to
24 a permit if the structure is an aerobic structure, anaerobic
25 lagoon, or earthen manure storage basin; the confinement
26 feeding operation uses a formed manure storage structure and
27 has an animal weight capacity of 625,000 pounds or more for
28 animals other than bovine or 1,600,000 pounds or more for
29 bovine; the confinement feeding operation structure provides
30 for the storage of manure exclusively in a dry form and has an
31 animal weight capacity of 1,250,000 pounds or more for animals
32 other than bovine or 4,000,000 pounds or more for bovine; or
33 the confinement feeding operation uses an egg washwater
34 storage structure. Code section 455B.200A provides a specific
35 exception for a small animal feeding operation (having an

1 animal weight capacity of 200,000 pounds or less for animals
2 other than bovine, or 400,000 pounds or less for bovine).
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SEVENTY-NINTH GENERAL ASSEMBLY
2002 REGULAR SESSION
DAILY
SENATE CLIP SHEET
February 25, 2002

Legislative Fiscal Bureau
Fiscal Note

SF 2208 - Confinement Operation Pollution-Control Exemption (LSB 6596 SV)
Analyst: Deb Kozel (Phone: (515) 281-6767) (deb.kozel@legis.state.ia.us)
Fiscal Note Version - New

Description

Senate File 2208 changes the requirements for receiving a property tax exemption for pollution-control equipment used in animal feeding operations. The Bill specifies agriculture property qualifying for the exemption must be eligible for a family farm tax credit that is limited to the first $100,000 in assessed value.

Assumptions

1. The value of agricultural property qualifying for the pollution-control exemption for the 2002 assessment year is approximately $155.0 million.
2. The amount of agricultural property qualifying for the pollution-control exemption for the 2003 assessment year will increase by 10.0% from the 2002 amount to $170.5 million.
3. The share of agricultural property qualifying for the pollution-control tax exemption that also qualifies for the family farm credit is 55.0%.
4. When the pollution-control and recycling property tax exemption is restricted by both a family farm credit qualification and a maximum exemption amount of $100,000 per property, the share of livestock care and feeding property certified by the Department of Natural Resources that would qualify for the property tax exemption drops to 25.0%.
5. The uniform property tax rate for the School Aid Foundation Formula is $5.40 per thousand dollars of taxable valuation.
6. The average consolidated tax rate for all classes of real property is $31.00 per thousand dollars of taxable valuation.

Fiscal Impact

Senate File 2208 will result in a decrease in General Fund expenditures of approximately $630,000 for FY 2004 and $690,000 for FY 2005.

Statewide local property taxes will increase for FY 2004 and FY 2005 by $3.6 million and $4.0 million, respectively.

Sources

Department of Natural Resources
Department of Revenue and Finance

/s/ Dennis C Prouty

February 20, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.