

**Property Tax - Opinion - Wind Energy Conversion**

**To: Cary Halfpop, Property Tax Division**

**From: Ed Henderson, Policy**

**Date: October 3, 2008**

**Subject: Wind Energy Conversion Property Special Valuation**

**STATUTES AND RULES:**

Iowa Code section 427B.26 and rule 701—80.13 Iowa Administrative Code.

**FACTS:**

Property Tax received an inquiry from an assessor on the length of time the special valuation lasts and what affect repeal of the ordinance authorizing the special valuation has on existing properties presently receiving the special valuation.

**ISSUE:**

If the ordinance authorizing the special valuation is not repealed, does the special valuation expire after the 19th assessment year or does it continue until repealed? Once the special valuation is repealed, is the property valued at 30% of net acquisition question cost or market value?

**DETERMINATION:**

Section 427B.26(1)(a) authorizes a city council or board of supervisors to provide by ordinance for the special valuation of wind energy conversion property as provided in section 427B.26(2). Subsection 2, paragraph c, states that the assessor shall value the property for the 7th and succeeding assessment years at 30% of the net acquisition cost. If it was the intent of the legislature to limit the special valuation to 19 years, it could easily have been so stated in paragraph c. Since it was not, the special valuation should be allowed for as long as the ordinance is in effect.

Section 427B.26(1)(b) permits the city council or board of supervisors to repeal the special valuation if they so choose. However, any property specially valued prior to repeal of the ordinance is to continue through the 19th assessment year following the assessment year in which the property was first assessed. The way I read the statute, this would be for a total of 20 years.

Once the ordinance has been repealed and the special valuation no longer applicable, it is my opinion that the property should be valued at market value rather than 30% of net acquisition cost.