

The Utility Replacement Tax Task Force (the "Task Force") met Friday, January 14, 2022 at 1:00 p.m.

All members participated electronically due to the various locations of members and adverse weather conditions, which made a meeting in-person impractical. Access to the electronic meeting was also made available at the intended location of the meeting.

Task Force members present by phone or electronically were:

Kraig Paulsen, Iowa Department of Management (DOM), Co-chair
Julie Roisen, Iowa Department of Revenue (IDR), Co-chair
Alan Kemp, Iowa League of Cities
Michael Rubino, Deere & Company
Cheryl Crawmer, Cheryl, MidAmerican Energy
Shawn Snyder, Iowa Association of School Boards
Regi Goodale, Iowa Association of Electric Cooperatives
Alex Cutchey, Iowa Association of Municipal Utilities
Justin Gorman, Alliant Energy

Not Present:

Jim Henter, Iowa Retail Federation
Bill Peterson, Iowa State Association of Counties. Lucas Beenken did attend representing the Iowa State Association of Counties

Others present included Roland Simmons, IDR, Nick Behlke, IDR and Carrie Johnson, DOM

Paulsen called the meeting to order at 1:01.

Paulsen requested that motions be reflected as approved by unanimous consent if there are no objections.

Paulsen requested approval of agenda-approved by unanimous consent.

Paulsen requested approval of the minutes of the December 15, 2021 meeting-approved by unanimous consent.

Behlke provided an overview of the draft legislation. The draft legislation addresses the assessment of wind energy conversion property when a special valuation ordinance under Iowa Code section 427B.26 is repealed by a county or otherwise not in place. He reminded the Task Force the special assessment applies through the 19th assessment year in the event of a repeal, then if power is sold to the grid it would most often be assessed as Utility Replacement

Tax. Wind energy conversion property may be locally assessed if it is used for self delivery. The draft legislation also provides for the possibility of central assessment. The draft legislation defines repowering and sets forth that repowering does not reset the assessment schedule and that net acquisition is not recalculated. The draft legislation defines collection substation and includes collector substation (and not interconnect) under wind energy conversion property.

Crawmer moved the language, seconded by Paulsen.

Kraig Paulsen, Iowa Department of Management (DOM), Co-chair-AYE
Julie Roisen, Iowa Department of Revenue (IDR), Co-chair-AYE
Alan Kemp, Iowa League of Cities-AYE
Michael Rubino, Deere & Company-AYE
Cheryl Crawmer, Cheryl, MidAmerican Energy-AYE
Shawn Snyder, Iowa Association of School Boards-AYE
Regi Goodale, Iowa Association of Electric Cooperatives-AYE
Alex Cutchey, Iowa Association of Municipal Utilities-AYE
Justin Gorman-Alliant, AYE
Jim Henter, Iowa Retail Federation-Excused
Bill Peterson, Iowa State Association of Counties-Excused
Lucas Beenken indicated support.

Crawmer proposed an amendment to Section 5a. to change "...after the first year..." to "...after the third year...". The language would read as follows:

45. For purposes of this section:

a. "Net acquisition cost" means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment. Except in the case of a clerical error , the net acquisition cost shall not be adjusted after the third year the wind energy conversion property is assessed.

Crawmer moved the amendment. Paulsen seconded.

Kraig Paulsen, Iowa Department of Management (DOM), Co-chair-AYE
Julie Roisen, Iowa Department of Revenue (IDR), Co-chair-AYE
Alan Kemp, Iowa League of Cities-AYE
Michael Rubino, Deere & Company-AYE
Cheryl Crawmer, Cheryl, MidAmerican Energy-AYE
Shawn Snyder, Iowa Association of School Boards-AYE
Regi Goodale, Iowa Association of Electric Cooperatives-AYE
Alex Cutchey, Iowa Association of Municipal Utilities-AYE
Justin Gorman-Alliant, AYE

Jim Henter, Iowa Retail Federation-Excused
Bill Peterson, Iowa State Association of Counties-Excused
Lucas Beenken indicated support.

Amendment adopted.

Paulsen inquired if there was further discussion on the proposed language. Synder inquired on the effective date of the draft legislation, in particular to the repowering issue. Roisen indicated the earliest practical effective date would be the 2022 assessment year.

Kraig Paulsen, Iowa Department of Management (DOM), Co-chair-AYE
Julie Roisen, Iowa Department of Revenue (IDR), Co-chair-AYE
Alan Kemp, Iowa League of Cities-AYE
Michael Rubino, Deere & Company-AYE
Cheryl Crawmer, Cheryl, MidAmerican Energy-AYE
Shawn Snyder, Iowa Association of School Boards-AYE
Regi Goodale, Iowa Association of Electric Cooperatives-AYE
Alex Cutchey, Iowa Association of Municipal Utilities-AYE
Justin Gorman-Alliant, AYE
Jim Henter, Iowa Retail Federation-Excused
Bill Peterson, Iowa State Association of Counties-Excused
Lucas Beenken indicated support.

Proposed legislation passed as amended.

Paulsen indicated staff will put together a letter and provide the letter and proposed legislation to the Chairs of Senate and House Ways and Means Committees.

Having no other business, the Task Force adjourned at 1:12 p.m.