

## Property Tax - Opinion - Wind Towers Questions and Answers

### 1. Does the entire wind plant include the O & M building or not?

Yes, if it is used primarily for support of the wind towers.

### 2. I have 7 wind towers in Sibley-Ocheyedan taxing district and 33 wind towers in Harris-Lake Park taxing district. All 40 towers sit within two taxing districts but on 40 separate parcels. My intention is to have BLL's Tower 1 through Tower 7 on one parcel and BLL's Tower 8 through Tower 40 on a second parcel. Is this OK?

It would be easier to track if you created a building on leased land for all the towers on a single parcel of land. As it evolves you may end up with different ages of towers with a potential of change in value on one or more of them (tornado, for example). A good system allows someone to locate the towers on the parcel they sit on. GIS systems often include a link to the site parcel.

### 3. On the 20th year does all wind energy conversion property assessed by ordinance go to market value or does this have to be spelled out in the local ordinance?

It stays at 30%.

### 4. Now you need to define entire wind energy plant.

a. The Code of Iowa 427B.26 Ss 4 (b)

*"Net acquisition cost"* means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

b. *"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 substation. The "but not limited to" is an open door. It would be our opinion that other improvements would need to be primarily used for support of the wind energy plant to qualify. A maintenance building used solely for support of the plant would be an example.

### 5. Under 427B.26 when should a wind tower be first assessed?

Each tower is to be assessed when it is completed; *"completed"* means when the company puts the wind tower in service.