

ORDINANCE NO. 2020-06

AN ORDINANCE AMENDING ORDINANCE 2005-11 ESTABLISHING A SPECIAL TAX CLASSIFICATION.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HARRISBURG, SOUTH DAKOTA, THAT ORDINANCE 2005-11 IS HEREBY AMENDED IN ITS ENTIRETY TO READ AS FOLLOWS:

BE IT ENACTED by the City Council of the City of Harrisburg, South Dakota:

WHEREAS, SDCL 10-6-35.4 provides the municipalities may adopt a formula pursuant to SDCL 10-6-35.2 for reduction taxation if the Board of County Commissioners has not adopted such a formula; and

WHEREAS, the City of Harrisburg is desirous of adopting a discretionary formula for reduced taxation for certain new structures and additions to existing structures, located within the corporate limits of the City of Harrisburg, now therefore,

BE IT ORDAINED by the Common Council of the City of Harrisburg (the "City Council") that pursuant to SDCL 10-6-35.1 and 10-6-35.2 that the following classifications of real property shall be, and hereby are, specifically classified for the purpose of taxation pursuant to SDCL 10-6-35.2:

- (1) Any new industrial or commercial structure, or any addition, renovation, or reconstruction to an existing structure, located within a designated urban renewal area as defined in SDCL 11-8-4, if the new structure, addition, renovation, or reconstruction has a full and true value of thirty thousand dollars or more;
- (2) Any new industrial structure, including a power generation facility, or an addition to an existing structure, if the new structure or addition has a full and true value of thirty thousand dollars or more;
- (3) Any new nonresidential agricultural structure, or any addition to an existing structure, if the new structure or addition has a full and true value of ten thousand dollars or more;
- (4) Any new commercial structure, or any addition to an existing structure, except a commercial residential structure as described in subdivision (5), if the new structure or addition has a full and true value of thirty thousand dollars or more;
- (5) Any new commercial residential structure, or addition to an existing structure, containing four or more units, if the new structure or addition has a full and true value of thirty thousand dollars or more;

- (6) Any new affordable housing structure containing four or more units with a monthly rental rate of the units at or below the annually calculated rent for the state's sixty percent area median income being used by the South Dakota Housing Development Authority, for a minimum of ten years following the date of first occupancy, if the structure has a full and true value of thirty thousand dollars or more;
- (7) Any new residential structure, or addition to or renovation of an existing structure, located within a redevelopment neighborhood established pursuant to SDCL 10-6-56 if the new structure, addition, or renovation has a full and true value of five thousand dollars or more. The structure shall be located in an area defined and designated as a redevelopment neighborhood based on conditions provided in SDCL 11-7-2 or 11-7-3; or
- (8) Any commercial, industrial, or nonresidential agricultural property which increases more than ten thousand dollars in full and true value as a result of reconstruction or renovation of the structure.

BE IT FURTHER ORDAINED all new structures or additions classified above shall be assessed as follows for tax purposes:

- a. 20% of the assessed value for the first year;
- b. 40% of the assessed value for the second year;
- c. 60% of the assessed value for the third year;
- d. 80% of the assessed value for the fourth year;
- e. 100% of the assessed value for the fifth year and all years thereafter.

BE IT FURTHER ORDAINED, that the City Council may, if requested by the owner of any of the above described property, not apply the above formula, in which case the full assessment shall be made without application of the formula. In waiving this formula for the structure of one owner, the City Council is not prohibited from applying the formula for subsequent new structures by that owner;

BE IT FURTHER ORDAINED, that for purpose of this Ordinance, the assessed valuation during any of the five years may not be less than the assessed valuation of the property year preceding the first year of the tax years following construction;

BE IT FURTHER ORDAINED, that any structure that is partially constructed on the assessment date may be valued for tax purposes pursuant to this Ordinance and the valuation may not be less than the assessed valuation of the property in the year preceding the beginning of construction; and

BE IT FURTHER ORDAINED, that following the five-year period under this section, the property shall be assessed at the same percentage as is all other property for tax purposes.

Dated this 18th day of August, 2020.

Derick Wenck
Mayor

ATTEST:
Mary McClung
Finance Officer

1 st Reading	August 4, 2020
2 nd Reading	August 18, 2020
Publication	August 27, 2020
Effective Date	September 17, 2020