

Chapter 3.20

TAXATION OF NEW STRUCTURES

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3.20.10 Taxing of structures.

All new industrial, commercial, residential, and nonresidential agricultural structures or additions to existing structures as listed under Subsection 3.20.20 which are located within the corporate limits of the city shall be taxed as follows:

A. In the first tax year following commencement of construction not more than twenty (20) percent of the Pre-Adjustment Value shall be used for tax purposes on such property.

B. For the second year following commencement of construction not more than forty (40) percent of the usual Pre-Adjustment Value shall be used for tax purposes on such property.

C. For the third year following commencement of construction not more than sixty (60) percent of the usual Pre-Adjustment Value shall be used for tax purposes on such property.

D. For the fourth year following commencement of construction not more than eighty (80) percent of the usual Pre-Adjustment Value shall be used for tax purposes on such property.

E. Thereafter such property shall be assessed at the same percentage as is all other property for tax purposes.

The tax relief provided above shall apply to the real estate and not the owner thereof and any unused portion of such tax relief shall accrue to the benefit of any subsequent purchaser of a structure which qualifies for favorable tax treatment under SDCL 10-6-35.1 through SDCL 10-6-35.4 inclusive. (Prior code § 11.0201)

Any structure classified pursuant to this Chapter shall, following construction, initially be valued for taxation purposes in the usual manner, and that value shall be referred to as the "Pre-Adjustment Value".

3.20.20 Eligible properties.

The following properties shall be, and hereby are, specifically classified for the purpose of taxation pursuant to this ordinance:

A. 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 (SDCL § 10-6-35.2(2)).

B. 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 (SDCL § 10-6-35.2(2)).

C. 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 (SDCL § 10-6-35.2(3)).

D. Any new commercial structure, or any addition to an existing structure, except a commercial residential structure as described in SDCL § 10-6-35.2(5), if the new structure or addition has a full and true value of thirty thousand dollars or more (SDCL § 10-6-35.2(4)).

E. 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 (SDCL § 10-6-35.2(5)).

F. 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 (SDCL § 10-6-35.2(6)).

G. 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 (SDCL § 10-6-35.2(7)).

H. 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 (SDCL § 10-6-35.2(8)).