

### **THIRD AMENDED ORDINANCE #95-3**

#### **“AN ORDINANCE ADOPTING A DISCRETIONARY FORMULA FOR BUTTE COUNTY”**

**WHEREAS**, the Butte County Board of Commissioners adopted a “discretionary formula” for the assessment of certain structures in Butte County based on the provisions of SDCL 10-6-35.2; and

**WHEREAS**, the South Dakota State Legislature recently amended SDCL 10-6-32.5 with an effective date of 1 July 2020, and

**WHEREAS**, SDCL 10-6-35.2, as amended, authorizes the Board of County Commissioners, at its discretion, to adopt any formula for assessment of specifically classified structures; and

**WHEREAS**, SDCL 10-6-32.5, as amended, provides that the formula may include for any or all of the five tax years following construction, all, any portion, or none of the assessed valuation of certain specifically classified structures for tax purposes; and

**WHEREAS**, the Butte County Board of Commissioners has found that it is still in the best interests of the County to adopt an ordinance allowing a discretionary formula for assessments of specifically classified structures in Butte County; so therefore,

**BE IT ORDAINED** that the Butte County Third Amended Ordinance #95-3 be enacted pursuant to SDCL 10-6-35.2, as amended to provide for a discretionary formula for reduced taxation of certain specifically classified structures.

#### **TAXATION FORMULA FOR NEW STRUCTURES AND ADDITIONS**

1. The following specifically classified structures are subject to the discretionary formula:
  - a. 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 (\$30,000) or more;
  - b. Pursuant to SDCL 10-6-35.2(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 (\$30,000) or more;
  - c. Pursuant to SDCL 10-6-35.2(3), and new non-residential 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 (\$10,000) or more;
  - d. Pursuant to SDCL 10-6-35.2(4), any new commercial structure, or any addition to an existing structure, except a commercial residential structure as described below, if the new structure or addition has a full and true value of thirty thousand dollars (\$30,000) or more;

- e. Pursuant to SDCL 10-6-35.2(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 (\$30,000) or more;
  - f. Pursuant to SDCL 10-6-35.2(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 (\$30,000) or more;
  - g. Pursuant to SDCL 10-6-35.2(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 (\$5,000) or more and the structure is located in an area defined and designated as a redevelopment neighborhood based on conditions provided in SDCL 11-7-2 or SDCL 11-7-3; or
  - h. Pursuant to SDCL 10-6-35.2(8), any commercial, industrial, or non-residential agricultural property which increased more than ten thousand dollars (\$10,000) in full and true value as a result of reconstruction or renovation of the structure.
2. Such new structures or additions, renovations, or reconstruction to existing structures as defined above, shall, following construction, be valued for taxation purposes in the usual manner. (See Department of Revenue Land Manual-Section D).
  3. Following the evaluation, the following formula for assessed value of the new structure, or addition, renovation or reconstruction to existing property shall be as follows:
    - a. The level of assessment for the above-defined structures shall be:
      - i. Zero Percent (0%) for the first year;
      - ii. Zero Percent (0%) for the second year;
      - iii. Zero Percent (0%) for the third year;
      - iv. Zero Percent (0%) for the fourth year; and
      - v. Zero Percent (0%) for the fifth year.
    - b. The same discretionary formula shall be equally applied to specifically classified structures within a tax increment finance district.
  4. Any structure that is partially constructed on the date of assessment may be valued for tax purposes under this formula. The valuation may not be less than the assessed valuation of the property in the year preceding the beginning of construction.

5. The period that the property is valued for tax purposes may include the years when the property is partially constructed.

**THIS ORDINANCE WILL BECOME EFFECTIVE ON THE 20<sup>TH</sup> DAY AFTER COMPLETED PUBLICATION**

**THE IMPLEMENTATION OF THIRD AMENDED ORDINANCE #95-3: "AN ORDINANCE ADOPTING DISCRETIONARY FORMULA FOR BUTTE COUNTY" WILL APPLY TO THE 2020 TAXES PAYABLE IN 2021.**

DATED the 21<sup>st</sup> day of July 2020

/s/: Stan Harms  
Stan Harms, Chairman  
Butte County Board of Commissioners

ATTEST:  
/s/: Elaine Jensen  
Butte County Auditor

First Reading: July 7, 2020  
Second Reading: July 21, 2020  
Adopted: July 21, 2020  
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