

ORDINANCE NO. 2020-002

AN ORDINANCE OF THE CITY OF IRENE TO REPEAL AND REPLACE ORDINANCE 2018-003, TITLE X: TAXATION, CHAPTER 10: SECTION 10.03: DISCRETIONARY TAX FORMULA.

BE IT ORDAINED BY THE CITY OF IRENE, SD:

Section 1. That Chapter 10.03 of the Municipal Ordinances of Irene, SD, is hereby repealed and replace in its entirety so as to read as follows:

CHAPTER 10.03 DISCRETIONARY TAX FORMULA.

Authority. Pursuant to SDCL 10-6-35.4, the City elects to adopt a discretionary reduced taxation formula for new structures and additions within the city limits of Irene, South Dakota. In doing so, the City finds that Turner County Resolution #11-20, Discretionary Formula SDCL 10-6-35.2, dated July 7, 2020 only applies within the unincorporated areas of Turner County, including any unincorporated residential areas located therein. The City also finds that Clay County Resolution #2020-17, Discretionary Formula 10-6-35.2, dated June 16, 2020, does not apply to all areas of the City of Irene, which is not entirely within the boundaries of Clay County, South Dakota. Similarly, the City of Irene finds that Resolution #20-7, dated June 16, 2020, by Yankton County is also limited in its application to the City of Irene, since the City is not entirely within the boundaries of Yankton County, South Dakota. The Yankton County Action is also limited in application to certain structures, such as new industrial or commercial structures and new nonresidential agricultural structures. As such, the City's adoption of a discretionary formula is attended to apply to all newly constructed structures and additions that are not otherwise subject to discretionary formulas adopted by the South Dakota Counties of Clay, Turner, and Yankton.

10.0302 Scope, Applicability, and Limitations. This Chapter shall be subject to the following:

- a. The City Council may, if requested by the owner of any of the properties subject to this Chapter, not apply the above formula, in which case the full assessment shall be made without application of the formula. In waiving this formula, the City Council is not prohibited from applying the formula for subsequent new structures by that owner.
- b. For purposes of this Chapter, the assessed valuation during any of the five years may not be less than the assessed valuation of the property during the year preceding the first year of the tax years following construction.
- c. Any structure that is partially constructed on the assessment date may be valued for tax purposes pursuant to this Chapter and the valuation may not be less than


the assessed valuation of the property in the year preceding the beginning of construction.

- 10.0303 Industrial Structure. 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));
- 10.0304 Nonresidential Agricultural Structure. 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));
- 10.0305 Commercial Structure. 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));
- 10.0306 Commercial Residential Structure. 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));
- 10.0307 Residential Structure. 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)); or
- 10.0308 Commercial, Industrial, or Nonresidential Agricultural Property. 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));
- 10.0309 Discretionary Formula. Any structure classified pursuant to this Chapter shall, following construction, initially be valued for taxation purposes in the usual manner, the assessed value to be used for tax purposes of any structure following construction, be calculated as follows:
- a. For the first tax year following construction, 20% of the Pre-Adjustment Value;
 - b. For the second tax year following construction, 40% of the Pre-Adjustment Value;
 - c. For the third tax year following construction, 60% of the Pre-Adjustment Value;
 - d. For the fourth tax year following construction, 80% of the Pre-Adjustment Value;
 - e. For the fifth tax year following construction, 100% of the Pre-Adjustment Value;

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.

Section 2. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Adopted at Irene, South Dakota, this 8th day of September, 2020.



Mayor
ATTEST:



Finance Officer



First Reading: August 24, 2020
Second Reading & Adoption: September 8, 2020
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