

ORDINANCE NO. 2021-02

An ordinance amending Section 32.55 purpose; Section 32.57 Property Tax Rebate; 32.58 Residential Structures; 32.59 Discretionary Formula of Chapter 32 General Policies; Finance of the ordinances for the City of Gregory.

BE IT ORDAINED BY THE CITY OF GREGORY those Sections 32.55, 32.57, 32.58, and 32.59 of Chapter 32 General Policies; Finance be amended to read as follows:

**32.55 Purpose.** The purpose of this subchapter is to promote economic development within the Gregory City limits. SDCL 10-6-35 allows for a property tax benefit on new construction of structures or additions for affordable housing; commercial structures; industrial structures; commercial residential structures; residential structures;

**32.57 Property Tax Discretionary Structure Types.** The following types of structures are eligible for a discretionary tax rebate pursuant to the structure in 32.58:

1. Industrial: 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))
2. Commercial: Any new commercial structure, or any addition to an existing structure, Except a commercial residential structure as described in subdivision (3), if the new structure Or addition has a full and value of thirty thousand dollars or more. (SDCL 10-6-35.2(4))
3. Commercial Residential: 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))
4. Affordable Housing: 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))
5. Residential: Any new residential structure, or any addition to or renovation of an existing Structure, located within a redevelopment neighborhood, which new structure, addition or Renovation has a true and full value of \$20,000 or more, added to the real property. (SDCL 10-6-35.2(7))

In order to improve the quality of housing, all real property, with the exception of Grandview Addition, located within the city limits of Gregory, South Dakota shall qualify as property Located in a redevelopment neighborhood. The redevelopment neighborhood is being Established because the area includes buildings or improvements which by reason of age, Deterioration, obsolescence, and dilapidation, injuriously affect the area to the detriment of Public health, safety, morals or welfare; and, because the redevelopment of housing is being Prevented by the predominance of defective or inadequate street layout, faulty lot layout in Relation to size, adequacy, accessibility, or usefulness; the deterioration of site Improvements, and obsolete platting. (SDCL 10-6-56)

6. Grandview Residential: Any new residential structure being built in Grandview Addition to The City of Gregory that meets the criteria for residential structures as set forth in the Gregory City Code that defines the Zoning and Building regulations for Grandview Addition,

Shall qualify for a property tax rebate on municipal tax paid pursuant to the to the discretionary formula described in 32.59. Grandview Addition is defined as: Lots 1 thru 8 of Block 1; Lots 1 thru 9, lot DR-1 of Block 2; Lots 1 thru 6 Block 3; Lots 1 thru 16 of Block 4; Lots 1 thru 4 of Block 5; Lots 1 thru 8 and lotA of Block 6; of Grandview Addition to the City of Gregory.

32.58 Tax Discretionary formula

- (A) Zero percent of the property value for the first year following construction on such property.
- (B) For the second year following construction, not more than 20% on the property value shall be used for the tax purpose of the property.
- (C) For the third year following construction, not more than 40% of the property tax value shall be used for the tax purpose of the property.
- (D) For the fourth year following construction, not more than 60% of the property tax value shall be used for the tax purpose of the property.
- (E) For the fifth year following construction, not more than 80% of the property tax value shall be used for the tax purpose of the property.

32.59 Grandview Tax Rebate Formula

- (A) Zero percent of the municipal tax portion of the property value for the first year following construction on such property.
- (B) For the second year following construction, not more than 20% of the municipal tax portion on the property value shall be used for the tax purpose of the property.
- (C) For the third year following construction, not more than 40% of the municipal tax portion of the property tax value shall be used for the tax purpose of the property.
- (D) For the fourth year following construction, not more than 60% of the municipal tax portion of the property tax value shall be used for the tax purpose of the property.
- (E) For the fifth year following construction, not more than 80% of the municipal tax portion of the property tax value shall be used for the tax purpose of the property.

Dated this 7 day of June, 2021

ATTEST: Al Cerny  
Finance Officer Al Cerny

Scott Anshutz  
Mayor Scott Anshutz

First Reading: MAY 17, 2021  
Second Reading: JUNE 7, 2021  
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