

**ORDINANCE NO. 2023-02**

**AN ORDINANCE AMENDING CHAPTER 10.03–DISCRETIONARY TAXATION OF REAL PROPERTY- 2018 ORDINANCES OF THE CITY OF ALCESTER, SOUTH DAKOTA**

WHEREAS, the City of Alcester has adopted a discretionary tax formula pursuant to state statute for the purposes of encouraging and fostering economic development; and

WHEREAS, the South Dakota Legislature consolidated and revised the statutes governing the aforementioned discretionary formula during the 2022 legislative session, with those revisions becoming effective July 1, 2022; and

WHEREAS, SDCL 10-6-137 through 138, inclusive, permit a municipality to adopt a discretionary tax formula for certain types of property; and

WHEREAS, Updating the previous ordinances to clarify the applicability of each Discretionary Formula is necessary to ensure effective application,

**NOW THEREFORE, BE IT ORDAINED**, by the City Council of the City of Alcester that:

1. Section 10.0307 Discretionary Formula be amended to read “Any real property improvements qualifying for the discretionary formula pursuant to this chapter shall be assessed as follows:

First Year	20% of Pre-Adjustment Value
Second Year	40% of Pre-Adjustment Value
Third Year	60% of Pre-Adjustment Value
Fourth Year	80% of Pre-Adjustment Value
Fifth Year	100% of Pre-Adjustment Value

for any property classified under 10.0301 and 10.0302;

First Year	25% of Pre-Adjustment Value
Second Year	25% of Pre-Adjustment Value
Third Year	50% of Pre-Adjustment Value
Fourth Year	50% of Pre-Adjustment Value
Fifth Year	75% of Pre-Adjustment Value
Sixth Year	75% of Pre-Adjustment Value
Seventh Year	100% of Pre-Adjustment Value

for any property classified under 10.0303, 10.0304, and 10.0305.

2. Section 10.0308 Effective Date be amended to read “This Ordinance is effective upon passage in accordance with statute and shall be reflected with the taxes payable effective January 01, 2024 and each successive taxation year thereafter unless repealed.

Pursuant to SDCL 10-6-140, any real property receiving benefit from the previously adopted Discretionary Taxation Ordinance, will continue to be assessed and taxed through the course of the said discretionary formula.

Dated this 20<sup>th</sup> day of February, 2023.

CITY OF ALCESTER, SOUTH DAKOTA  
*/s/ Lukas Driesen, Council President*

ATTEST:

*/s/ Patricia R Jurrens, Finance Officer*

(SEAL)

First Reading: February 3, 2023

Second Reading & Adoption: February 20, 2023

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