



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

City Finance Office

300 Sixth Street

Rapid City, South Dakota 57701-5035

605-394-4143

TO: Legal & Finance Committee
FROM: Jim Preston
SUBJ: Special Assessment Compromise
DATE: December 14, 2009

Doug Williams has requested the City Council agree to a compromise of outstanding interest and penalties associated with a property clean up assessment which was assessed on July 17, 2001. This was a one year assessment which was not paid in 2001 and was certified to the County for collection as required by State Law. Rather than paying interest and penalties of \$4,406.62 which have accumulated since 2002, Mr. Williams is asking that the Council accept a compromise offer of 12% on the unpaid balance (\$668.26) plus the principal payment (\$5,735.58) and County costs of \$9.50 for a total payment of \$6,413.34. The accumulative interest and penalties that would not be paid equals \$3,728.66 so rather than paying \$10,142.20, Mr. Williams is asking that the amount be reduced to \$6,413.34. A cashiers check in that amount has been received by the Finance Office pending approval of this compromise.

The City's interest rate is 9% on special assessments and once it is certified to the County for collection an additional 10% per year is assessed. The only way these amounts can be changed is through a court order or Council action.

Mr. Williams purchased the property on tax deed from the County on January 10, 2007 for \$2,400. The County has a total value on this property of \$34,300. Property taxes owed at the time amounted to \$9,278 which had priority over our assessment.

The property is located at 1120 Nowlin Street.

Cc: Mayor Hanks, Pauline Sumption, Connie Ewing



EQUAL OPPORTUNITY EMPLOYER