

ORDINANCE #5669

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF REFUNDS UNDER CERTAIN CIRCUMSTANCES BY ADDING A NEW SECTION TO CHAPTER 2.40 OF THE RAPID CITY MUNICIPAL CODE.

WHEREAS, the City of Rapid City receives payments for a wide variety of reasons on a daily basis; and

WHEREAS, upon receipt of payment, the funds becomes public money, subject to all laws pertaining to municipal expenditure of public money; and

WHEREAS, under state law, only appropriated fund may be expended for municipal purposes; and

WHEREAS, SDCL § 9-31-3 only permits the City to appropriate funds for “such objects and the defraying of such expenses as necessarily arise in the exercise of the powers granted to it”; and

WHEREAS, the City occasionally has a legitimate need to issue a refund as a result of an overpayment, a return of a security deposit, or to return funds paid in advance for a ticketed event that is canceled; and

WHEREAS, there has recently been confusion over the ability of the City to issue refunds; and

WHEREAS, the Rapid City Common Council has determined that it is in the best interests of the City of Rapid City to adopt an ordinance to clearly identify the circumstances that permit a refund to be made.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that a new section is hereby added to Chapter 2.40 of the Rapid City Municipal Code which shall read as follows:

2.40.160 Refunds

A refund of money paid to the City shall only be made in the following circumstances. No other refunds are permitted.

- A. Return of security deposit - services. If an ordinance requires a deposit to be made with the City for the receipt of services, a refund may be made for the return of the deposit in accordance with the terms of the ordinance requiring the deposit. If the ordinance requiring a deposit does not address refunding the deposit, a refund shall be authorized when the service has been terminated and all other fees and charges associated with the service have been paid in full.
- B. Return of security deposit - facilities. If a security deposit is required to reserve and/or use any City facility, the deposit may be refunded upon the payment of all charges and fees

incurred, including any charges for damages. City departments may adopt reasonable policies for returning security deposits if an event is canceled with appropriate advanced notice.

C. Return of security deposit – signs and equipment. If a security deposit is required to be made to obtain signs from the City or to obtain other City equipment, the deposit may be refunded upon the return of the sign or equipment and the payment of all charges and fees, including charges for damages.

D. Overpayment. If a payment has been made to the City that exceeds the amount due to the City, the excess payment may be refunded.

E. Each department may establish a policy to provide refunds when a ticketed event or program requiring advanced registration is canceled.

F. A refund may be approved if state law requires the City to issue a refund or if a refund is made pursuant to policies implementing authority granted by state law.

G. All refunds shall be processed as a request for payment and approved in the same manner as other similar payments.

H. Nothing contained herein shall diminish the authority granted by ordinance to the Mayor or a department director to negotiate a compromise for the payment of a late fee or overdraft fee.

CITY OF RAPID CITY

Mayor

ATTEST:

Finance Officer
(SEAL)
First Reading:
Second Reading:
Published:
Effective: