

AN ORDINANCE TO AMEND PROVISIONS FOR CITY PAYMENT OF DEBT ACQUIRED BY RURAL FIRE PROTECTION DISTRICTS PRIOR TO ANNEXATION BY AMENDING CHAPTER 3.20 OF THE RAPID CITY MUNICIPAL CODE

WHEREAS, the City of Rapid City has adopted regulations in Chapter 3.20 concerning debts of annexed lands that were previously within rural fire protection districts; and

WHEREAS, South Dakota Codified Laws § 34-31A-35 concerns a change in the boundaries of a rural fire protection district when property within its borders is annexed into a municipality; and

WHEREAS, SDCL 34-31A-35 provides that such property is still liable for its share of the past indebtedness of the rural fire protection district, but that a municipality may elect to pass an ordinance whereby the municipality agrees to assume a portion or all of this indebtedness when annexation occurs; and

WHEREAS, in the past, the City of Rapid City has assumed some indebtedness of annexed properties to rural fire protection districts; and

WHEREAS, the City of Rapid City believes that it is appropriate in some situations for the City to pay the rural fire protection districts for the portion of the indebtedness attributable to properties annexed into the City; and

WHEREAS, the Common Council wishes to update its ordinances to clarify the procedure for rural fire protection districts to seek City payment for the portion of the district's indebtedness attributable to owners of property annexed into the City; and

WHEREAS, the Common Council believes it to be in the best interests of the health, safety, and general welfare of its citizens to delete the current R.C.M.C. Chapter 3.20 and adopt a new Chapter 3.20 to set forth the procedure for City payment of a portion of the indebtedness of rural fire protection districts that is attributable to property annexed into the City.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that Chapter 3.20 of the Rapid City Municipal Code is deleted in its entirety.

~~3.20.010 Payment of debts incurred after January 1, 1985.~~

~~—A. Upon the annexation of any lands to the city that were a part of a rural fire protection district prior to annexation, the city will not pay on behalf of the lands so annexed any debt which is an obligation to pay pursuant to SDCL § 34-31A-35, if the debt was incurred after January 1, 1985, except as hereinafter provided for.~~

~~—B. If any rural fire protection district desires to have the city pay on behalf of the property owners upon annexation any debt incurred after January 1, 1985, the rural fire protection district~~

shall, prior to incurring the debt, request an amendment to this chapter, which amendment may set forth the terms and conditions agreeable between the city and the rural fire protection district as to location of facilities, type of equipment, disposition of equipment and facilities upon annexation, or such other arrangements as may be approved by the Common Council.

~~3.20.020 Payment of debts incurred prior to January 1, 1985.~~

~~—For those debts incurred by a rural fire protection district prior to January 1, 1985, whose lands or a portion thereof are subsequently annexed to the city, the payment, if any, by the city on behalf of the property so annexed will be as set forth in the resolution of intent to annex or resolution of annexation, as may be applicable, or by terms of this chapter. The city will not pay for debt unless incurred for capital expenditures.~~

~~3.20.030 Payment of capital debt of Whispering Pines Fire Protection District.~~

~~—A. On behalf of the property owners of lands which were annexed to the city pursuant to a resolution of annexation dated September 17, 1984, that formerly were members of the Whispering Pines fire protection district, the city does agree to pay, for 1984, 27.8% of \$7,750 prior to August 1, 1985; and commencing February 1, 1986, and ending August 1, 1992, the city does agree to pay on behalf of the property owners, based upon the following formula:~~

$$\begin{array}{r} \$9,574.965 \\ \div \\ \$9,574,965 + \text{the taxable} \\ \text{valuation of the district for the} \\ \text{tax year prior to the calendar} \\ \text{year of payment} \\ \times \\ \$3,876.07 \end{array}$$

~~prior to each August 1 and February 1. Taxable valuation will be as determined by the County Auditor.~~

~~—B. If the Whispering Pines Rural Fire Protection District incurs capital debt during calendar year 1988 for the construction of a new fire hall, the city shall provide, in any future annexation of all or any portion of the district, to pay on behalf of the property annexed the property's then outstanding share of capital debt for the fire hall, not to exceed \$40,000 over a period not to exceed 5 years, beginning in calendar year 1989, and ending in calendar year 1993.~~

~~3.20.040 Payment of capital debt of North Haines Rural Fire Protection District.~~

~~—If the city annexes the property described in the resolution of intent to annex, set for hearing on February 18, 1985, the following shall be applicable:~~

~~—A. On behalf of the property owners of the areas, the city will pay, commencing with calendar year 1986 and ending with calendar year 1990, based upon the following formula:~~

$$\begin{array}{r}
 \$15,513,100 \\
 \div \\
 \$15,513,100 \div \text{the taxable valuation of} \\
 \text{the district outside the city for the tax year prior} \\
 \text{to the calendar year of payment} \\
 \times \\
 \$10,962.66
 \end{array}$$

~~—B. One half the payment will be paid prior to May 1 and 1/2 will be paid prior to November 1 of each year. Taxable valuation will be as determined by the County Auditor.~~

~~3.20.050 Payment of capital debt of Doty Rural Fire Protection District.~~

~~—If the Doty Rural Fire Protection District is created and a single 1,000 GPM FMC pumper is ordered prior to June 1, 1985, the city shall provide, in any future annexation of all or any portion of the district, to pay on behalf of the property annexed the property's then outstanding share of capital debt for the pumper. It is anticipated that the payments for the pumper will be \$8,700 in 1986 and \$9,470 annual payments for calendar year 1987 and ending with the calendar year 1993.~~

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City, that Chapter 3.20 of the Rapid City Municipal Code is hereby adopted as follows:

**CHAPTER 3.20: DEBTS OF ANNEXED LANDS PREVIOUSLY
WITHIN RURAL FIRE PROTECTION DISTRICTS**

Section

- 3.20.010 Payment of indebtedness.
- 3.20.020 Annual notice of indebtedness.
- 3.20.030 Type of debts for which payment may be sought.
- 3.20.040 Notice of proposed annexations to rural fire protection districts.
- 3.20.050 Recovery of payment if capital expenditure is sold.
- 3.20.060 Previous payments ratified.

3.20.010 Payment of indebtedness.

A. Upon the annexation of any lands to the City that are a part of a rural fire protection district, the City will not pay on behalf of the lands so annexed any debt which may be paid pursuant to SDCL 34-31A-35, except as hereinafter provided.

B. If any rural fire protection district wishes to have the City pay any indebtedness incurred by the district attributable to property annexed into the City, the district shall provide annual notice of the indebtedness pursuant to Section 3.20.020.

C. Indebtedness within this Chapter is defined as the principal amount of the debt that is owed. Indebtedness does not include any interest charged by the financial institution.

D. If the City determines it will pay indebtedness owed by annexed properties to the rural fire protection districts, the Common Council will authorize such payment in the annexation resolution adopted pursuant to SDCL Chapter 9-4 or in a separate resolution. The resolution may authorize the City to pay a pro-rated amount of the debt upon annexation attributable to the area being annexed, or it may use any other method of calculating the payment amount. Such payment may be calculated pursuant to the following formula:

$$\begin{array}{r} \text{Taxable valuation of property being annexed} \\ \div \\ \text{Taxable valuation of the rural fire protection district} \\ \times \\ \text{Total amount of remaining indebtedness at time of annexation} \end{array}$$

Taxable valuation will be as determined by the County Auditor for the tax year prior to the calendar year of payment. The resolution may also set forth the terms and conditions agreeable between the City and the rural fire protection district as to location of facilities, type of expenditure, or such other arrangements as may be approved by the Common Council.

E. Prior to any payment under this Section, the rural fire protection district shall provide the City Finance Officer with the remaining amount of indebtedness as certified by the financial institution(s) holding the debt and the amount of indebtedness attributable to the annexed properties. Failure to provide this information when requested may result in the City refusing to authorize payment.

F. When the City authorizes payment for the indebtedness of annexed property, the rural fire protection district must apply the payment to its indebtedness, unless the district would get charged an early payment penalty, then the district shall apply the payment at the next debt service payment due date. Future notices and information from the rural fire protection district should reflect all payments made by the City pursuant to this Section.

3.20.020 Annual notice of indebtedness.

A. If a rural fire protection district wishes to seek payment from the City pursuant to Section 3.20.010, it shall provide annual notice to the City Finance Officer of its indebtedness. Such notice shall include the following for each debt:

1. A specific description of the capital expenditure(s) pursuant to Section 3.20.030 for which the indebtedness is being, or has been, incurred;
2. The total amount of the indebtedness, including the principal amount and anticipated interest to be paid;
3. The term of the debt;

4. The remaining amount of the indebtedness as of the date of the notice, if different from Section 2;
5. The financial institution holding the debt;
6. The final debt amortization schedule;
7. Any other information the rural fire protection district deems relevant; and
8. Any other information requested by the City Finance Officer.

B. The notice discussed in Section A shall be provided annually by January 30 of each calendar year to the Finance Officer for each capital expenditure debt which the rural fire protection district wishes the City to authorize payment upon annexation pursuant to R.C.M.C. 3.20.010.

C. If the information provided pursuant to Section A materially changes, the rural fire protection district shall promptly notify the City Finance Officer with the updated information.

3.20.030 Type of debts for which payment may be sought.

Any indebtedness paid by the City pursuant to this Chapter shall be for capital expenditures only. Capital expenditures include real property, buildings and structures, and vehicles that contain tanks or pumps or that are designed or modified to transport injured people. Capital expenditures do not include fire-fighting equipment such as breathing apparatus and portable radios, firefighting gear, vehicles without tanks or pumps, or vehicles that are not designed or modified to transport injured people, unless specifically authorized by the Common Council.

3.20.040 Notice of proposed annexations to rural fire protection districts.

Upon receipt of a petition for voluntary annexation that includes property within a rural fire protection district, City shall promptly provide written notice of the petition to the rural fire protection district. City shall promptly provide written notice to any rural fire protection district of a resolution of intent to annex pursuant to S.D.C.L. 9-4-4.2 that includes property within the rural fire protection district.

3.20.050 Recovery of payment if capital expenditure is sold.

If a rural fire protection district receives any payment from the City pursuant to this Chapter, and if the rural fire protection district thereafter sells the capital expenditure prior to the debt being paid in full, the rural fire protection district shall provide prompt notice to the City, including documentation of the sale price in a form satisfactory to the Finance Officer. Within 60 days of the sale, the rural fire protection district shall pay the City a percentage of the sale price equivalent to the City's proportion of payment of the indebtedness.

3.20.060 Previous payments ratified.

Any past payment by the City to a rural fire protection district for indebtedness attributable to annexed properties is hereby ratified.

CITY OF RAPID CITY

Mayor

ATTEST

Finance Officer

(seal)

First Reading:
Second Reading:
Published:
Effective: