



DEPARTMENT OF REVENUE AND REGULATION
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 June 16, 2006

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Discussion

Jason Green
 Rapid City Attorney
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 Rapid City, SD 57701-2724

LF080206-03

RE: Local Board of Equalization



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JUN 20 2006

MAYOR'S OFFICE

Dear Mr. Green:

As I mentioned in our telephone conversation last week, the Department has received reports that the local Board of Equalization has taken official action on taxpayer appeals without a quorum of the board present for the meeting. On March 22, 2006, the local board met with six members present. On March 23, 2006, the board met with only five members present. On both occasions, the board took official action on taxpayer appeals.

SDCL 10-11-13 states that a local board of equalization consists of the governing body of the municipality and a member of the school board. In this case, that amounts to 12 people – 10 city council members, the mayor, and a school board member. SDCL 10-11-14 specifies that a quorum for the local board is a majority of the members. Therefore, a quorum of members for the Rapid City Board of Equalization is seven members.

I appreciate the fact that Rapid City has a large City Council, numerous appeals, and a short deadline to hear all of those appeals. I am certain that the members of the local board intended to do the right thing in acting on appeals without a quorum present. However, acting on appeals without the required quorum creates unnecessary ambiguity for the taxpayer and the bodies that hear subsequent appeals. If necessary, the Secretary of Revenue has the authority to ensure compliance with the statutory provisions. SDCL 10-1-15, 10-1-25.

Many jurisdictions have found it to be more efficient to create a consolidated board of equalization. Essentially, the local board of equalization is combined with the county board of equalization. The statutory authority for a consolidated board is SDCL 10-11-66. It might be beneficial for the city and county commissions to get together with the other necessary parties, and discuss creating a consolidated board.

If you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,

Michael T. Kenyon

Michael T. Kenyon
 Director, Property and Special Taxes

