



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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MEMORANDUM

FROM: Mayor Sam Kooiker 
TO: Pauline Sumption, City Finance Officer
CC: City Council
DATE: August 24, 2012
RE: Veto of Resolution 2012-099 - Property Tax Increase

At the regular City Council meeting on Monday, August 20, 2012, the Council approved item number 48 - [No. LF081512-35](#) - Resolution 2012-099 - Resolution of intent to take the Statutorily Authorized Increase in Property Tax Revenue as part of the Annual Appropriation Ordinance for 2013.

Between 2011 and 2012, we have dissolved eight tax increment financing districts (TIF's) and we are projecting the dissolution of an additional district in 2012 or 2013. The increase in property tax due to growth, which partially includes the dissolution of seven of the TIF's, will provide an estimated \$624,449 in property tax revenue.

In addition to providing for healthy increases in many areas of city government, the budget also fully funds an independent audit program (Compass) designed to find enormous cost savings and efficiencies for the taxpayers.

The budget is balanced (using a conservative 3% sales tax projection); however, sales tax has been coming in at an estimated 8.78% so far this year. Even with the more conservative 3% projection, we expect to have more than \$2.3 million in cash at the end of 2012, and that's not including the \$6.2 million in reserve funds.

Rapid City's exciting economic growth has provided the catalyst for much deserved property tax relief. Many of our citizens live on fixed incomes and haven't received a cost of living increase in their wages or in Social Security for quite some time. Our citizens deserve a break.

If property tax relief is not justified under present conditions, then there will never be a time when it is justified. Therefore, I am vetoing Resolution 2012-099.

Here is the relevant statute:

9-19-10. The mayor in any municipality with a common council may veto any ordinance or resolution by filing a written objection with the finance officer within ten days after its passage. The veto may extend to any one or more items contained in an ordinance or resolution making an appropriation or to the entire ordinance or resolution. If the veto only extends to a part of such ordinance or resolution, the remainder shall take effect.



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