

DRAFT AGENDA FOR TUESDAY JULY 19, 2022
7 P.M. in the Commission Chambers, 2nd Floor of the Courthouse
Online access: [Facebook and YouTube](#)
HAND COUNTY BOARD OF COMMISSIONERS
Audio or Video Participation Available if Arranged in Advance

PLEASE NOTE:

(URL / LINKS are provided when documentation has been provided to us in advance.)
The chairman has declared the entire meeting as the statutory period of public comment (SDCL 1-25-1)
The Commission Reserves the ability to have an executive session without it appearing on the agenda.
All documents are available for download. Paper copies are available upon request.

PLANNING AND ZONING COMMISSION and BOARD OF ADJUSTMENT

- Call to Order as such
 - Jaime Russell - Zoning Administrator
 - Plats for Consideration
 - Peterka's have a plat pending
 - Staff requests motion to approve said plat, referring to the commission.
 - Public Inquiry / Comment
 - If no business - Motion to Adjourn as P & Z Commission
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BOARD OF COMMISSIONERS

CALL TO ORDER

CONSENT AGENDA ITEMS:

- None

7:15: ON HAND DEVELOPMENT CORPORATION - Kecia Beranek - Exec. Director

- Quarterly Report

7:30: Avera Hand County Memorial Hospital - Bryan Breitling & Matt Campion (Interim Administrator)

- Introduction & Transitional Discussion

- Renew request for consideration related to use of ARPA funds for an ambulance purchase

RESIGNATION & FILLING VACANCY:

- July 11, 2022 - Devyn Gortmaker from the Highway Department (13 months)

- Permission to advertise to fill the position vacated by Gortmaker

DISCRETIONARY FORMULA: (Carried over from the July 5th meeting)

- Wendy Semmler's comments on [SB162](#) as amended

Good afternoon,

AUDITORS – You need to pass this information on to your commissioners so they are aware of the change, especially if you are a county listed in the attached pdf.

I am working on the implementation of the bills that will be going into law in a couple of weeks, and I would like to address SB 162 (which can be found at this link: <https://sdlegislature.gov/Session/Bill/22963/236187>) which made a change to the discretionary formula.

If a county or city wants a discretionary formula for Commercial Residential, Affordable Housing, or Residential within a Redevelopment Neighborhood, the following mandatory requirements are now in play:

- If a board passes a discretionary formula for any of those 3 types of properties, it is now a **7-year formula**.
 - **The County Commission or City Council cannot alter the length of the formula. If they pass it, it must be a 7 year term.**
- The following formula is the **mandatory maximum**:
 - 1st year – 25% assessable
 - 2nd year – 25% assessable
 - 3rd year – 50% assessable
 - 4th year – 50% assessable
 - 5th year – 75% assessable
 - 6th year – 75% assessable

- 7th year – 100% assessable
 - **The County Commission or City Council cannot create a formula that would increase the percentage assessable in any given year. The Commission/Council is permitted to reduce the percentage assessable if they so desire.**
- Even if a county has already passed a resolution for one of the 7-year residential discretionary formulas, a city is allowed to pass its own formula that would overrule what the county passed. However, the city must be within the maximum requirements outlined above.
 - This is only applicable to the Commercial Residential, Affordable Housing, or Residential within a Redevelopment Neighborhood. For all other structure types, the county's discretionary formula trumps the city.

Any County or City wanting to take advantage of this change will have to pass a brand new resolution specifically addressing the formula for the 7-year term. (I have attached an example resolution.) If they do not, then the existing formula for residential property will no longer be valid. Please note: Any property that is currently on a discretionary formula will continue to receive that formula until the end of its 5-year term regardless if a new resolution is passed or not.

SDCL 10-6-137 (5)(6)(7)

10-6-137. Discretionary formula for reduced taxation of new structures and additions--Partially constructed structures.

Any structure classified pursuant to this section, must, following construction, be valued for taxation purposes in the usual manner. The board of county commissioners of the county in which the structure is located, may adopt a formula for assessed value to be used for tax purposes. Except as otherwise provided in § 10-6-137.1, the formula may include, for any or all of the five tax years following construction, all, any portion, or none of the assessed value for tax purposes. Any formula adopted must be equally applied to specifically classified properties within a tax increment finance district.

The board of county commissioners of the county in which the structure is located may, if requested by the owner of the structure, fully assess the structure without application of the formula. In waiving the formula for the structure of one owner, the board of county commissioners is not prohibited from applying the formula for subsequent new structures. The assessed value during any of the five years may not be less than the assessed value of the property in the year preceding the first year of the tax years following construction.

Any structure that is partially constructed on the assessment date may be valued for tax purposes, pursuant to this section, and the value may not be less than the assessed value of the property in the year preceding the beginning of construction. The period that the property is valued for tax purposes under this section may include the years when the property is partially constructed.

Following the five-year period under this section, the property must be assessed at the same percentage as all other property for tax purposes, except as otherwise provided in § 10-6-137.1.

Any of the following types of real property may be specifically classified for the purpose of taxation pursuant to this section:

- (1) Any new industrial or commercial structure, or any addition, renovation, or reconstruction to an existing structure, located within a designated urban renewal area as defined in § 11-8-4, if the new structure, addition, renovation, or reconstruction has a full and true value of thirty thousand dollars or more;
- (2) Any new industrial structure, including a power generation facility, or an addition to an existing structure, if the new structure or addition has a full and true value of thirty thousand dollars or more;
- (3) Any new nonresidential agricultural structure, or any addition to an existing structure, if the new structure or addition has a full and true value of ten thousand dollars or more;
- (4) Any new commercial structure, or any addition to an existing structure, except a commercial residential structure as described in subdivision (5), if the new structure or addition has a full and true value of thirty thousand dollars or more;
- (5) Any new **commercial residential structure**, or addition to an existing structure, containing four or more units, if the new structure or addition has a full and true value of thirty thousand dollars or more;
- (6) Any new **affordable housing structure** containing four or more units, with a monthly rental rate of the units at or below the annually calculated rent for the state's sixty percent area median income being used by the South Dakota Housing Development Authority for a

minimum of ten years following the date of first occupancy, if the structure has a full and true value of thirty thousand dollars or more;

(7) Any new **residential structure, or addition to or renovation** of an existing structure, located within a redevelopment neighborhood established pursuant to § [10-6-141](#), if the new structure, addition, or renovation has a full and true value of five thousand dollars or more. The structure must be located in an area defined and designated as a redevelopment neighborhood based on conditions provided in § [11-7-2](#) or [11-7-3](#); or

(8) Any commercial, industrial, or nonresidential agricultural property that increases more than ten thousand dollars in full and true value, as a result of reconstruction or renovation of the structure.

Source: SL 1970, ch 81, § 2; SL 1974, ch 91, § 3; SL 1977, ch 82, § 1; SL 1986, ch 84; SL 1987, ch 85; SL 1991, ch 83, § 1; SL 1993, ch 85, § 3; SL 1994, ch 78, § 1; SL 1994, ch 79, § 3; SL 2000, ch 42, § 12; SL 2019, ch 61, § 2; SL 2020, ch 39, § 1; SL 2021, ch 44, § 44; SL 2022, ch 29, § 1.

SDCL 10-6-137.1

[10-6-137.1. Discretionary formula for reduced taxation of new residential structures.](#)

For any real property specifically classified under subdivisions [10-6-137](#)(5), (6), and (7), the formula adopted by the board of county commissioners must include:

- (1) No more than twenty-five percent of the increased assessed value in the first or second year following the completion of construction;
- (2) No more than fifty percent of the increased assessed value in the third or fourth year following the completion of construction;
- (3) No more than seventy-five percent of the increased assessed value in the fifth or sixth year following the completion of construction; and
- (4) One hundred percent of the increased assessed value in the seventh year following the completion of construction and each year thereafter.

During construction, the assessed value of the property may not exceed the assessed value of the property in the year preceding the beginning of construction.

The percentages stated in this section are limited to that portion of the assessed value that exceeds the property's assessed value in the year preceding the start of construction.

Any real property receiving the benefit of a discretionary formula prior to July 1, 2022, must continue to be assessed and taxed in the manner provided for in any county or municipal resolution adopted pursuant to this chapter and in effect prior to July 1, 2022, and must continue to be subject to the provisions of §§ [10-12-44](#), [11-9-20](#), and [13-13-20.4](#). Source: SL 2022, ch 29, § 2.

[SD-DOR Discretionary Formula document](#) (Lists other counties and cities)

[RESOLUTION 2022-2x DISCRETIONARY FORMULA](#) (Mocked Up for Editing)

PROVISIONAL BUDGET PREPARATION

[7-21-5. Preparation and filing of provisional budget.](#) From the estimates of revenues and expenditures made as provided for in § [7-21-3](#), and from such other information as may be required and obtained by the board of county commissioners, the board of each county must, between the fifteenth and thirtieth days of July in each year, make, prepare, and file in the office of the county auditor a provisional budget, for the following fiscal year. Source: SL 1927, ch 79, § 5; SDC 1939, § 12.2003; SL 1993, ch 86, § 34.

PLATS - Planning and Zoning Commission & Board of Adjustment

- Plats for Consideration
 - Peterka's have a plat pending
 - Staff requests motion to approve said plat.

2023 BUDGET PREPARATION / REVIEW / Q&A - FOCUSING ON REVENUES for 2023

More Info on Saturday

2023 PROVISIONAL EXPENDITURE BUDGET REVIEW (Round 2)

More Info on Saturday

CUSTODIAN - Will Page

Update on Scope of Work on Elevator as it relates to the Historical Society

- Update on the water line between the main and the building (replacement options & timing)

COMMISSIONER WORK PERIOD / OLD BUSINESS

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EXECUTIVE SESSION -

- Personnel - Requested by Luke Wernsmann
- Personnel - Requested by Jim Eschenbaum

INFORMATION / CORRESPONDENCE (No action needed)

- The next "regular" commission meeting is set for TUESDAY August 2nd, 2022 at 1 pm.