

City of Sioux Falls

**Reduced Taxation for New  
Industrial or Commercial  
Structures, Additions Thereto, or  
Renovations or Reconstruction  
Thereto Within the Downtown  
Center Designated Urban  
Renewal Area Application**



*City of Sioux Falls*

**Filing Deadline**

**On or before October 1 in the year in which the  
project is completed and shall first appear on the tax  
rolls as a completed or modified structure**

231 North Dakota Avenue, P.O. Box 7402, Sioux Falls, SD 57117-7402

## Application Instructions

Pursuant to Article VI "Reduced Taxation for New Industrial, Commercial Structures, Additions thereto within Downtown Center Designated Urban Renewal Area," Sections 39-128 through 39-131 of the Revised Ordinances of Sioux Falls (Exhibit A ), the City of Sioux Falls grants a new construction tax incentive to all new industrial or commercial structures, or additions to existing structures, or renovation or reconstruction of existing structures, which new structures or additions or renovation or reconstruction have a full and true value of \$50,000 or more added to the real property and are located within the City Downtown Center Designated Urban Renewal Area as defined by SDCL 11-8-4 and as shown on the attached map (Exhibit B). The new construction tax incentive shall be discontinued if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use. The City shall notify the County in which the real property is taxed of such real property being ineligible.

No new construction tax incentive may be made unless:

- (1) The new industrial or commercial structure, or additions to existing structure, or renovation or reconstruction of existing structures have a full and true value of \$50,000 or more, exclusive of land value, added to real property;
- (2) Such structures are located within the City Downtown Center designated Urban Renewal Area, as shown on the attached map (Exhibit B);
- (3) The new industrial structure or additions thereto are commenced after August 1, 1987;
- (4) The renovations or reconstructions on which construction has commenced has commenced after June 30, 1988;
- (5) The person makes application for the reduced taxation from Planning and Development Services.

Any person desiring to claim a new construction tax incentive shall make application to the Planning and Development Services so that the Planning and Development Services and/or a committee created can determine that such construction is eligible for a new construction tax incentive.

Please complete the application attached on or before October 1 in the year the project is completed and shall first appear on the tax rolls as a completed or modified structure. Planning and Development Services shall send an acknowledgement to the applicant within 30 days stating whether the facility is eligible.

Upon completion of the project, the property will be certified as eligible to the Director of Equalization in the county in which the real property is taxed.

Only properties that have been approved will be certified as eligible for reduced taxation.

Applications may be filled out and returned via mail. Mail or drop off the completed application to:

City of Sioux Falls/Reduced Taxation Application/Located within  
City Downtown Center Designated Urban Renewal Area  
Attention: Planning and Development Services  
231 North Dakota Avenue  
P.O. Box 7402  
Sioux Falls, SD 57117-7402

If you have questions, please feel free to call Planning and Development Services at 605-367-8888.



# Reduced Taxation Application

## Within Downtown Center Designated Urban Renewal Area

City of Sioux Falls  
Planning and Development Services  
231 North Dakota Avenue  
P.O. Box 7402  
Sioux Falls, SD 57117-7402

### Company Information

Owner, Partner, or Corporation Name Federal Employer's Identification Number (FEIN)

Address (*Street, City, County, State, Zip*)

Telephone Number Fax Number Email

Mailing Address (*if different from above*)

Business Name (*if different from above*)

Business Address (*if different from above*)

Type of Ownership  Single Owner  Trust  Partnership  LLC—State of Incorporation \_\_\_\_\_ Date of Incorporation \_\_\_\_\_  
 Corporation—State of Incorporation \_\_\_\_\_ Date of Incorporation \_\_\_\_\_

Individual responsible for filing reduced taxation forms (*Name, Address, Phone, and Email*)

I certify the following:  
(1) That the new construction, or additions to existing structures, or renovation or reconstruction of existing structures will add a full and true value of \$50,000 or more, exclusive of land value, added to the real property; and  
(2) The structure is located within the City Downtown Center Designated Urban Renewal Area (Exhibit B).

Signature of Applicant \_\_\_\_\_ Print Name of Applicant \_\_\_\_\_

Location and Legal Description of the new industrial or commercial structures, or additions to existing structures, or renovation or reconstruction of existing structure:

Estimated full and true value added to the real property Construction Date Completion Date

### Ownership Information

Name Social Security Number Title  
Address City State Zip

Name Social Security Number Title  
Address City State Zip

Name Social Security Number Title  
Address City State Zip

Name Social Security Number Title  
Address City State Zip

ARTICLE VI.

**REDUCED TAXATION FOR NEW INDUSTRIAL, COMMERCIAL STRUCTURES,  
ADDITIONS THERETO WITHIN DOWNTOWN CENTER DESIGNATED URBAN  
RENEWAL AREA**

**Sec. 39-128. Authority.**

This article is adopted pursuant to the authority granted to the municipalities pursuant to SDCL 10-6-35.4.

**Sec. 39-129. Applicability; effective date.**

This article shall apply only to those new industrial or commercial structures or additions thereto, or renovation or reconstruction of existing structures located within the city downtown center designated urban renewal area. It shall apply to new structures or additions thereto on which construction has been commenced after August 1, 1987. It shall also apply to renovations or reconstruction on which construction has commenced after June 30, 1988.

**Sec. 39-130. Calculation of tax.**

- (a) All new industrial or commercial structures, or additions to existing structures, or renovation or reconstruction of existing structures, which new structures or additions or renovation or reconstruction have a full and true value of \$50,000.00 or more, added to the real property and located within the city downtown center designated urban renewal area, as defined by SDCL 11-8-4, shall be taxed pursuant to the following formula during the five tax years subsequent to the completion of their construction:
  - (1) The full and true value of such structures, additions, renovation or reconstruction shall be determined in the usual manner by the director of equalization.
  - (2) For the first tax year following construction, no portion of the taxable value shall be used for taxation purposes.
  - (3) For the second tax year following construction, 20 percent of the taxable value shall be used for taxation purposes.
  - (4) For the third tax year following construction, 40 percent of the taxable value shall be used for taxation purposes.
  - (5) For the fourth tax year following construction, 60 percent of the taxable value shall be used for taxation purposes.

- (6) For the fifth tax year following construction, 80 percent of the taxable value shall be used for taxation purposes.
- (b) The taxable value of such structures, additions, renovation or reconstruction during any of the five tax years subsequent to the completion of their construction may not be less than their taxable value in the year preceding the first year of the tax years following construction.
- (c) For the sixth and all subsequent tax years following construction, such structures, additions, renovation or reconstruction shall be taxed in the same manner as all other similar industrial or commercial property within the city.
- (d) Any such structures, additions, renovation or reconstruction, the construction of which is only partially completed on any assessment date, shall be assessed for taxation purposes in the usual manner.
- (e) The new construction tax incentive shall be discontinued if the business use changes to a nonqualifying use during the five-year period such that it would be ineligible under the new use.

**Sec. 39-131. Application for reduced taxation on new construction.**

Any person desiring to claim reduced taxation on new construction shall make application to Planning and Development Services on or before October 1 in the year in which the project is completed and shall first appear on the tax rolls as a completed or modified structure. The application shall be submitted on a form prescribed by Planning and Development Services. Upon Planning and Development Services' approval of the application, Planning and Development Services shall notify the applicant within 30 days stating whether the facility is eligible to receive reduced taxation.

In January, the year following completion of the project, Planning and Development Services will certify those improvements which qualify for reduced taxation to the Director of Equalization in the county in which the real property is taxed. Such new construction tax incentives are not assignable or transferable, except as collateral or security pursuant to SDCL Ch. 57A-9.

