

One-fourth of BID taxes still unpaid

Paulette Tobin
Staff Writer

SEP 29 1990

Downtown Rapid City businesses apparently took advantage of a grace period for late Business Improvement District (BID) payments as the total amount of money collected rose to more than 75 percent by Friday.

On the other hand, even with the grace period, nearly one-fourth of the money due under the tax has yet to be collected.

The first ever payment of the BID tax was supposed to be made by Sept. 1, but so many payments were late the city had collected less than half the total amount of the tax by the deadline.

The Rapid City Common Council then approved a grace period for late payments which said taxes received by (or postmarked by) Friday would not be subject to late penalties.

Assistant City Finance Officer Colleen Schmidt said Friday \$55,769.25 of the BID tax had been paid, leaving an overdue balance of \$18,130.38.

The taxes were assessed for the last six months of 1990.

Opponents of the BID said the late payments and slow collections showed just how unpopular the BID tax was. Some opponents paid the tax under protest. Other have said they have no intentions of ever paying it. Opponents are circulating petitions

which would call for a public vote to overturn the council action that created the BID.

But BID supporters say the late payments were because of computer foulups which resulted in many tax notices going out late. Businesses with corporate offices elsewhere did not have enough time to get authorization to pay the tax. Some businesses appealed their payments and adjustments had to be made. Some businesses just were caught short when the tax came due, they said.

Late BID taxes are subject to a late penalty of 10 percent of the amount due plus interest on the unpaid balance at the rate of 1.5 percent per month.

In addition, failure to pay the tax could result in a fine of not more than \$100, 30 days in jail or both. City officials have said they will seek jail time only as a last resort.

For bills still overdue, said Schmidt, "If they remain unpaid within one month to six weeks, we will be turning those over to the city attorney's office for their advice, as we would any other unpaid bill of the city."

The BID tax is assessed based on the square footage of a business or property, with a cap of \$2,000. The money from the tax is earmarked for promoting and improving the downtown.