Majority of downtown Rapid City properties paid BID taxes on time

By Emilie Rusch

Eighty-two percent of downtown properties paid their Business Improvement District bills by Thursday’s deadline, despite the early controversy over the special tax.

The City Finance Office had received payments from all but 60 of the affected properties as of 5 p.m. Thursday, with an outstanding balance of $35,445.

The downtown tax district covers 334 properties with BID payments totaling $176,660.

“It’s tremendous that everyone has stepped up and paid,” said Dan Senftner, president of Destination Rapid City, the organization that proposed the tax district. “It just tells me that people support it. There’s great support.”

Rapid City residents approved the special assessment in a citywide vote in June, after opponents launched a successful petition drive to get the issue on the ballot.

The funds collected by the city will pay for the operation and maintenance of Main Street Square, the year-round public plaza at the corner of Sixth and Main streets. Construction of the plaza is set to start this fall.

Downtown property owners technically have until May 1, 2011, to pay their bills before they are considered delinquent. Payments that were postmarked by Thursday will be accepted without penalty, city finance officer Pauline Sumption said.

But payments made after Thursday will be charged 5 percent interest pro-rated for every day they are past due.

Penalties for late payments of the assessment are minimal.

Many property owners with outstanding bills said they had every intention of paying when contacted Thursday, with some just waiting on the checks to be delivered. Unpaid bills range in size from $48 to $3,000, the maximum allowed on a single property.

Some larger businesses said they were at the mercy of corporate accounting departments, which can have difficulty turning around invoices quickly.

A handful of missing payments are from banks with out-of-state headquarters.

As of noon Thursday, the Rapid City Journal still owed $6,041 on 11 properties, the single largest outstanding amount.

When informed its payments had not been received by the city, the local accounting department contacted corporate headquarters in Iowa to determine what had happened. A check was put in the mail late Thursday.

Publisher Brad Slater said the Journal is “fully supportive” of both the BID and Main Street Square and the delay was administrative.

“We are certainly not making a statement of any sorts by not paying our bills on time,” Slater said.

At least one property owner, though, said he deliberately did not pay his assessment.

Bruce Meister, who owes $166 on his property at the corner of Ninth and Main streets, said he will not pay the city until he knows the outcome of a pending legal challenge by opponents.

Meister and others have questioned the constitutionality of the assessment and the $3,000-per-property cap.

He said he did not want to risk not getting a refund from the city if the BID is overturned.

“If it’s a go, they’ll get my money,” Meister said. “If it’s not, I’m not going to worry about it.”

But Senftner said he never questioned whether people would pay their BID assessments and emphasized that the interest amount is nominal.

“The people I’ve talked to support it and are paying their assessment, and they think the plaza is a great idea and going to be for the betterment of the community,” Senftner said. “It’s a vote and a law that passed.”

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