Paulette Tobin  
Staff Writer

Downtown business and property owners whose Business Improvement District (BID) taxes are delinquent will have until Sept. 28 to pay without being charged the penalty.

The Rapid City Common Council early Tuesday morning approved a one-time grace period, which was opposed by some long-time BID opponents.

Those who wanted the grace period said the BID opponents' unsuccessful challenge to the BID, incompatible computer equipment in the city finance office and the BID office, and the fact that bills went out late might have caused some businesses to be late in paying the tax.

But BID opponents — many of whom again charged the BID was illegal to begin with — said it was unfair for those who had paid the tax to give late payers a chance to escape the consequences.

The BID taxes were due by Sept. 1 but the city finance department said recently that the city had received only 48 percent of the total amount of tax money due.

Under the BID ordinance, the late penalty is 10 percent of the amount due plus interest on the unpaid balance at 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.

BID opponents said some opponents had paid the tax, albeit under protest, and that some delinquent rate payers were BID supporters.

"You can't forgive one man's taxes and tax the other guy," said opponent Dick Hoff.

The council also approved an agreement between the city and the BID board to calculate and collect the tax. BID opponents said the agreement should have been made earlier, but the city attorney said the agreement simply was "memorializing" what had already been agreed to.