City sales tax extension will go to a vote

Half-cent sales tax could raise $60 million for city improvements over next 20 years.

By Paulette Tobin
Journal Staff Writer

Sometime next year, Rapid City voters likely will decide whether to extend a half-cent sales tax that could raise $60 million for civic improvements over the next 20 years.

The sales tax was passed in 1984 to pay off the debt on Rushmore Plaza Civic Center. It is due to expire in 1995.

You currently pay the half-cent tax on most retail purchases in Rapid City. Groceries, prescription drugs, and farm equipment and supplies are exempt from the tax.

Almost all would take to extend the sales tax is six votes on the common council. But Mayor Ed McLaughlin and the 10 city aldermen have said they want the question put to a public vote.

The tax currently is bringing in more than $3 million a year. Even if the city's take didn't increase in the next 20 years, it would still mean $60 million in additional revenues by the year 2012.

Through a process called Vision 2012, some people already have begun talking about how the money might be spent and whether it is really needed.

The mayor says he would like the sales tax vote to come up in the summer or fall of 1993. There are a couple of ways that could happen — as an initiative measure or as a referendum. The city council could put it on the ballot, said acting City Attorney Bob Jackson.

For an initiative — which the mayor says he would prefer over a referendum — someone would have to draw up an ordinance calling for the extension of the sales tax and then collect enough signatures to bring the initiative to a vote.

For a referendum, the common council would have to pass an ordinance extending the sales tax. Then petitions would have to be circulated referring the ordinance to a vote.

How would the money from the tax be spent?

At this point, says McLaughlin, "Nothing is sacred." All the proposed city improvements that could be funded by the sales tax are on equal footing.

But by the time the sales tax extension is put to a vote, McLaughlin said, he wants the city to be able to tell voters just what they are buying. By then, specific projects should be on the line.

The projects selected for funding would be chosen largely on the basis of what the public says it wants during the ongoing Vision 2012 meetings, he said.

Bringing Vision 2012 to your organization

If you have an organization, service club or group of people who would like to hear a Vision 2012 presentation, call the mayor's office at 394-4110.