

## Sales tax vote

# Half-cent tax works for our city's future

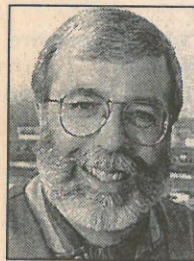
By Jim Shaw

Shaw, of KOTA Radio and TV, is chairman of Citizens for Vision 2012.

Rapid City has a unique opportunity in 1995 to meet some of the needs and desires of the citizens of our community without raising taxes. How? By continuing our present half-cent city sales tax.

The special city election on Jan. 17 is required by law as a result of an initiated petition that seeks to repeal the half-cent sales tax approved by Rapid City voters on Nov. 9, 1993.

Here is why you should vote AGAINST the initiated measure.



Shaw

This half-cent tax is not a new tax. It has been in effect since 1972 when it was approved by Rapid City voters to build the Rushmore Plaza Civic Center. The mortgage that funded the civic center will be paid up this June. Money from the half-cent sales tax will then be available for other community projects. Continuation of this half-cent sales tax, and procedures for its use and control, were approved by voters in 1993.

Here are answers to some of the questions people have asked about the half-cent tax.

Who pays this tax?

Rapid City is a trade center for the entire Black Hills region. Approximately 50 percent of the revenue generated by this half-cent tax is paid by tourists and visitors from outside Rapid City. Remember, too, you do not pay the tax on groceries, medicines and pharmaceuticals, vehicles and agricultural supplies.

How will this revenue be used?

Vision 2012 is a long-range plan to stimulate economic development, create jobs and improve the quality of life in our community. Six projects and facilities most needed to make Rapid City a better place to live were selected by a citywide citizen involvement process with the input of more than 1,800 people over a two-year period.

Vision 2012 projects include: indoor recreation center; Spirit of the Black Hills Museum; visitor information center; Rapid Fund (job development); Canyon Lake restoration; and recycling.

Which project comes first?

Each of these projects must be individually considered and approved by the Rapid City Common Council, sub-

ject to public comment and review. By law, public hearings must be conducted regularly to set new projects and goals.

What happens if we repeal this half-cent tax?

Some of the projects won't be built. Mandated projects though, such as recycling and Canyon Lake restoration, must continue. Money might have to come from the city's general fund or user fees, which could mean higher property taxes, increased user fees or a reduction of existing services.

Are we giving the council a "blank check"?

No. Citizens will always have control over spending because the city council must hold public hearings to determine projects and funding.

Will this money be used for the on-going costs of these projects?

No. Dollars from this

tax can only be used to help build a particular project. State law says that sales tax monies cannot be used for operation and maintenance. Each of these projects has a variety of sources of income to cover their on-going costs, such as user fees, admissions, rentals and private donations.

Why isn't there a "sunset" on the tax?

There is. It can be stopped by a majority vote of the council at any time.

Does continuation of this half-cent tax mean all of these projects automatically will be approved?

No. There is an intentional two-step process before any city money is spent on any project. First, there has to be a procedure for the funds to be collected. Second, the regular appropriation process must be followed to spend the money. Voting to continue the half-cent tax only allows the funds to be collected and saved in a restricted account.

Will Rapid City be better off if this tax is continued?

Yes. It makes sense, and it is the right thing to do.

You can help ensure a better tomorrow for all the citizens of our community. Don't stop now. Vote against the initiated measure on Tuesday, Jan. 17.

**VOTE NO!**

## 'Yes' means stop; 'no' means continue

Rapid City will decide on Tuesday, Jan. 17, whether to repeal the continuation of the half-cent sales tax that now pays for the Rushmore Plaza Civic Center and would pay for development projects after the civic center mortgage is paid off later this year.

A "yes" vote is to repeal the continuation and halt collection of the tax. It would also restrict spending of another half-cent sales tax to capital improvements for streets, parks and drainage. The second half-cent tax is now used to fund other projects as permitted by state law.

A "no" vote is to continue the half-cent tax now paying for the civic center. A "no" vote would also be to not change what the second half-cent tax can be used for.

# Another unfair tax out of our pockets

By Bob Troth

Troth, now retired, is a Rapid City native.

The movement to extend the half-cent sales tax started over two years ago. The proponents claim 2,000 people attended public meetings to decide on the "2012" projects. The initiative in 1993 was a perversion of the initiative process. The mayor and several common council persons collected petitions for a special election. The ordinance

could have been easily passed by the common council in regular sessions, with a large majority in favor. Instead the "initiative" was used and the proponents conducted an expensive campaign including a hired phone bank.

In spite of all the promotion and propaganda, the turnout at the special election was only 25.7 percent of the registered voters; 13.5 percent for and 12.2 percent against.

As a result, the ordinance now in effect gives the common council carte blanche. There is nothing in the ordinance about any of the projects promoted in the initiative. It says the common council shall adopt a plan by resolution after one or more public hearings.

public hearings.

The ordinance also says that the half-cent tax is for an economic development and civic improvements fund. But, state law does not allow this tax to be used for economic development.

Now, the proponents complain about this special election, to repeal the tax, at a cost in the neighborhood of \$10,000. Note that the special election cost was used by the proponents for their "initiated" process to keep a tax alive that was to expire after the civic center was paid for.

The proponents say a small group of people is using the initiative process to stop the wonderful things they have in mind, that the present initiative is an effort to stop economic and cultural growth.

There are several good reasons why this tax, or any tax, should be given serious consideration by the voters. The state Legislature has the problem of excessive real estate taxes. Many studies have shown that South Dakota has the

most regressive tax system. And, it should be noted that, whatever it is — a state tax, a county tax, a school tax, a city tax, a sales tax, a real estate tax, or a fee — it all comes out of people's pockets. And how soon will the people in Rapid City be asked again to reach into their pockets for another high school?

Prior to November 1993, the half-cent tax ordinance stated exactly what the tax would be used for. The present ordinance doesn't say. The city can issue bonds, to be paid for with the tax. In essence, the ordinance allows the city to go into debt to do whatever wonderful things. The debt, according to the ordinance, cannot be greater than the tax can pay off in seven years. But every five years the common council can adopt a new plan and continue this debt. This can go on and on, as indicated by the name "Vision 2012." We will have many wonderful things 20 years down the road.

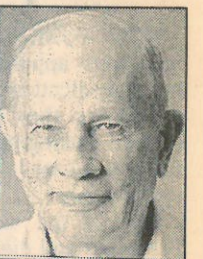
How has the common council been spending money? In December 1994, it had a resolution to issue bonds to the tune of \$16.4 million to be paid for by a sales tax; the city is getting into the recycling business. In November 1994, it spent \$250,000 to save Ellsworth. In June 1994, it spent \$200,000 for a museum study. In the past, big bucks were spent on the Feigel house and Mount Rushmore.

It seems the city fathers are very generous in helping out any and all interests. I would rather see the city concentrate on public needs — streets, water, sewer, police, fire, etc. Let the private sector take care of economic enterprise, and let the banks loan the money.

Consider the many hard-working but low-income people trying to raise families and the many older, former hard-working people trying to live and save their homes. I hope this large group of people realizes they are being unfairly taxed. These people cannot afford to use many of the nice things referred to in Vision 2012 propaganda, but they are being unfairly taxed for the benefit of more affluent special interests. They are taxed regardless of their relative ability to pay or their relative ability to benefit.

A recent news item tells about a Rapid City couple donating \$500,000 to the Humane Society. This could be done for Vision 2012 projects. Suppose several prominent, affluent people got together, each donating one-fourth to one-half million. They could finance a beautiful world-class museum and have their names as benefactors on a plaque to go down in history. This would be much better than having the names of the mayor and the common council members on a plaque in an edifice paid for by a half-cent sales tax.

Vote for repeal of the existing half-cent sales tax.



Troth