CITY OF CLARK - ORDINANCE NO. 597

AN ORDINANCE OF THE CITY OF CLARK, SOUTH DAKOTA, IMPOSING A MUNICIPAL GROSS RECEIPTS TAX FOR CAPITAL IMPROVEMENT PROJECTS PURSUANT TO SDCL 10-52-19 THROUGH 10-52-25

WHEREAS, the City of Clark, South Dakota (the "City"), is a duly organized municipality authorized to exercise the powers granted to municipalities under the laws of the State of South Dakota; and,

WHEREAS, the 2026 South Dakota Legislature, by House Bill 1245 authorized a municipality to impose a gross receipts tax, in addition to any other tax imposed under SDCL chapter 10-52, to fund capital improvement projects, which authorization is codified at SDCL 10-52-19 through 10-52-25, inclusive; and,

WHEREAS, as a condition of imposing such tax, South Dakota law requires the City to appoint a capital improvement board to approve or reject this Ordinance before the question is submitted to the voters; and,

WHEREAS, the tax authorized by SDCL 10-52-19 may not exceed one percent and must conform in all respects to the state tax imposed under SDCL chapters 10-45 and 10-46, except as to the rate of tax; and,

WHEREAS, the City has determined that certain capital improvements are necessary for the health, safety, and welfare of its residents, including a municipal swimming pool, a municipal fire hall, and a municipal youth sports complex; and,

WHEREAS, the City desires to impose the tax, subject to approval by the City's capital improvement board and further approval by at least sixty percent of the voters voting on the question, to fund such improvements;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARK, SOUTH DAKOTA:

Section 1. Imposition of Tax.

Pursuant to SDCL 10-52-19, and in addition to any other tax imposed by the City under SDCL chapter 10-52, there is hereby imposed a municipal gross receipts tax at the rate of one percent (1%) upon the gross receipts of all persons within the jurisdiction of the City who are subject to the tax imposed under SDCL chapters 10-45 and 10-46. Except as to the rate of tax, the tax imposed by this Ordinance shall conform in all respects to the state tax imposed under SDCL chapters 10-45 and 10-46.

Section 2. Purpose.

Pursuant to SDCL 10-52-20, the purpose of the tax imposed by this Ordinance is to fund the following capital improvement projects of the City: (1) the acquisition, construction, equipping, repair, and renovation of a municipal swimming pool facility; (2) the acquisition, construction,

equipping, repair, and renovation of a municipal fire hall, and the acquisition, construction, equipping, repair, and renovation of a municipal youth sports complex, together with the acquisition or lease of real property, plant assets, and equipment related to the projects. The City may allocate the moneys generated among the foregoing projects as the governing body determines, consistent with the permitted expenditures set forth in Section 7.

Section 3. Minimum Amount to Be Generated.

Pursuant to SDCL 10-52-20, the minimum amount to be generated by the tax imposed under this Ordinance is One Million Two Hundred Thousand Dollars ($1,200,000.00).

Section 4. Approval by Capital Improvement Board.

Pursuant to SDCL 10-52-20, this Ordinance shall be submitted to the City's capital improvement board appointed under SDCL chapter 9-12. If the capital improvement board approves this Ordinance by a majority vote, the governing body shall submit the question of the imposition of the tax to the voters of the City as provided in Section 5.

Section 5. Submission to Voters; Conduct of Election.

Pursuant to SDCL 10-52-20 and 10-52-21, the question of whether to impose the tax described in this Ordinance shall be submitted to the voters of the City at the next regular or special municipal election. To the extent applicable, the administration and notification of the election shall adhere to SDCL §§ 6-8B-4 and 6-8B-5 governing a bond election. The tax may be imposed only if it is approved by at least sixty percent (60%) of the voters of the City voting on the question.

Section 6. Special Capital Outlay Fund.

Pursuant to SDCL 10-52-22, all moneys collected from the tax imposed by this Ordinance and distributed to the City shall be deposited into a special capital outlay fund of the City and shall be used only for the purposes permitted under Section 7.

Section 7. Permitted Expenditures.

Pursuant to SDCL 10-52-23, the governing body may expend moneys in the special capital outlay fund only for the following purposes: (1) the acquisition or lease, by the City, of real property, a plant asset, or equipment; or (2) the construction, repair, or renovation of real property owned solely by the City or jointly by the City with one or more political subdivisions of the State of South Dakota.

Section 8. Duration.

Pursuant to SDCL 10-52-24, and subject to the notification requirements of SDCL 10-52-9, this Ordinance, and any tax rate affected thereby, shall remain effective until the last day of a calendar quarter that is at least ninety (90) days after notification by the City to the Secretary of Revenue, and occurring on the earlier of: (1) sixty (60) months after the enactment of this Ordinance; or (2) June 30 or December 31 of the year in which the City collects the minimum amount specified in Section 3.

Section 9. Effective Date of Tax.

The tax imposed by this Ordinance shall not take effect unless and until (a) this Ordinance is approved by the City's capital improvement board; (b) the tax is approved by at least sixty percent (60%) of the voters voting on the question; and (c) the City has notified the Secretary of Revenue at least ninety (90) days before the effective date, as required by SDCL 10-52-9. Subject to the foregoing, the tax shall take effect on the January 1 or July 1 permitted under SDCL 10-52-9 next following voter approval and satisfaction of the notification requirement.

Section 10. Severability.

If any provision of this Ordinance is held invalid, such invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

Section 11. Publication and Effective Date of Ordinance.

This Ordinance shall be published as required by law and shall take effect on the twentieth day after its publication; provided, however, that the imposition, effective date, and duration of the tax shall be governed by Sections 5, 8, and 9 of this Ordinance.

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Kerry Kline Mayor

ATTEST:

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Rae Jean Flora, City Finance Officer

First Reading: August 10, 2026
Second Reading: September 14, 2026
Date Adopted: September 14, 2026
Date Published: September 16, 2026
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