

<b>City of Brookings Policy:</b>	Title: <b>Special Assessment Policy – Collection of Assessments</b>	
Issue Date: TBD	Updated: July 21, 2022	Section: TBD
Policy Source: Public Works Department	Policy Audience: City Council, Staff and public	Total Pages: 2

I. PURPOSE

To establish a written policy for setting the financing terms in the resolution of necessity and for collecting special assessments.

II. POLICY

The City recognizes the need to have a consistent policy for establishing the financing terms in the resolution of necessity and in the collection of special assessments. This policy outlines the City’s financial terms for special assessment projects.

III. DEFINITIONS

- A. Resolution of Necessity: As defined by SDCL 9-43-82, is a resolution approved by City Council deeming it necessary that a local improvement be financed by a special assessment.
- B. SDCL: South Dakota Codified Laws.
- C. Federal Home Loan Bank (FHLBank) Chicago 10-year Fixed Rate: The 10 year fixed rate for residential single-family homes as calculated by the FHLBank Chicago(www.fhlbc.com). The rate will be determined two weeks prior to the Resolution of Necessity is heard at City Council.
- D. Special Assessment: A financing instrument that allows payment for improvements by those who benefit.

IV. ADMINISTRATION

- A. The City shall follow SDCL 9-43-75 through 9-43-101, and SDCL 9-46-1 through 9-46-11 when determining a project for special assessment.
- B. The proposed Resolution of Necessity shall also include whether the special assessments are payable under Plan One (Collection by the County Finance Office) or under Plan Two (Collection by the City’s Finance Office). In addition, the proposed Resolution of Necessity shall also include the number of annual

installments and interest rate payable on the unpaid balance of special assessments.

- C. Once a project has been completed after a Resolution of Necessity has been approved by the City Council, the project shall be assessed in accordance to SDCL 9-43-102 through 9-43-139.
  
- D. If the City chooses to assess under Plan One-Collection by County Treasurer specified in SDCL 9-43-102, the following financing terms shall apply if the assessment is not paid in full within 30 days of the assessment roll adopted by City Council:
  - a. Term of the financing shall depend on the type of project being assessed:
    - i. Sidewalks and Alleys: 5 Years
    - ii. Roadways and Utility Work: 10 years
  
  - b. Annual interest rate charged shall be calculated by the following formula  
  
= FHLBank Chicago 10-year Fixed Rate (%) + 3.5%
  
  - c. Any assessment under \$300 would be assessed in one payment.

Approved:

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Paul Briseno, City Manager

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Date