

CHAPTER 3

FINANCE AND TAXATION

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**3.01 PREPARATION OF TAX ROLL, RECEIPTS AND STATEMENTS.**

(1) **AGGREGATE TAX STATED ON ROLL.** Pursuant to §70.65(2), Wis. Stats., the City Clerk shall, in computing the tax roll, insert only the aggregate amount of State, County, school and local taxes in a single column in the roll opposite the parcel or tract of land against which the tax is levied or, in the case of personal property, in a single column opposite the name of the person against whom the tax is levied.

(2) **UNIFORM TAX BILLS AND RECEIPTS.** The City Treasurer shall use uniform tax bills and receipts as prescribed by the Department of Revenue under §70.09(3)(a), Wis. Stats. Tax bills shall be mailed to taxpayers or their designees and shall include all the information required by §70.665, Wis. Stats.

(3) **DELIVERY OF TAX ROLL.** (a) Except as provided in par. (b) below, the City Clerk shall deliver the tax roll to the City Treasurer on or before December 8 of each year.

(b) In the event the tax roll is not delivered on or before December 8, taxpayers paying escrow property taxes in excess of the amount owed on or before December 31 shall be reimbursed the excess amount within 15 business days of the date paid.

**3.02 DUPLICATE TREASURER'S BOND.** (1) **BOND ELIMINATED.** The City elects not to give the bond on the City Treasurer, provided for by §70.67(1), Wis. Stats.

(2) **CITY LIABLE FOR DEFAULT OF CITY TREASURER.** Pursuant to §70.67(2), Wis. Stats., the City shall pay, if the City Treasurer fails to do so, all State and County taxes required by law to be paid by such Treasurer to the County Treasurer.

**3.03 FISCAL YEAR.** The calendar year shall be the fiscal year.

**3.04 BUDGET.** (1) **DEPARTMENTAL ESTIMATES.** Each year, on or before October 1, each officer, department and committee shall timely file with the City Clerk an itemized statement of anticipated disbursements made to carry out the powers and duties of such officer, department or committee during the preceding fiscal year, and a detailed statement of the receipts and disbursements on account of any special fund under the supervision of such officer, department or committee during such year, and of the condition and management of such fund, along with detailed estimates of the same matters for the current fiscal year and for the ensuing fiscal year. Such statements shall be presented in the form prescribed by the Clerk and shall be designated as "Departmental Recommended Budgets" and shall be as nearly uniform as possible for the main division of all departments for incorporation into the budget document.

(2) **PREPARATION PROCEDURE.** (a) Budget to Include. Each year the Finance Committee, with the assistance of the City Clerk and the appropriate committees, officers and department heads, shall prepare and submit to the Council a proposed budget presenting a financial plan for conducting the affairs of the City for the ensuing calendar year. The budget shall include the following information:

1. The expense of conducting each department and activity of the City for the ensuing fiscal year and corresponding items for the current year and last preceding fiscal year, with reasons for increase and decrease recommended as compared with appropriations for the current year.

2. An itemization of all anticipated income of the City from sources other than general property taxes and bonds issued, with a comparative statement of the amounts received by the City from each of the same or similar sources for the last preceding and current fiscal year. Beginning with the budget for fiscal year 1988, State shared taxes and highway aids shall not be considered in the determination of anticipated income (see §70.665, Wis. Stats.).
3. Such other information as may be required by the Council and by State law.

(b) Copies For Citizens. The City shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

(3) **BUDGET SUMMARY**. The City Clerk shall prepare a summary of the budget and shall publish the notice required under §65.90(3)(a), Wis. Stats. Pursuant to §65.90(3)(b), Wis. Stats., the budget summary shall include the following:

- (a) All expenditures, by major expenditure category.
- (b) All revenues, by major revenue source.
- (c) Any financing source and use not included under pars. (a) and (b) above.
- (d) All beginning and year-end fund balances.

(4) **APPROPRIATION ORDINANCE**. The Finance Committee shall submit to the Council, at the time the annual budget is submitted, the draft of an appropriation ordinance providing for the expenditures proposed for the ensuing fiscal year. Upon the submission of the proposed appropriation ordinance to the Council, it shall be deemed to have been regularly introduced therein.

(5) **HEARING**. The Council shall hold a public hearing on the budget as required by law. Following the public hearing, the proposed budget may be changed or amended and shall take the same course in the Council as other resolutions.

**3.05 CHANGES IN BUDGET**. The amount of the tax to be levied or certified, the amounts of the various appropriations, and the purposes thereof shall not be changed after approval of the budget except by a 2/3 vote of the entire membership of the Council pursuant to §65.90(5), Wis. Stats. Notice of such transfer shall be given by publication within 10 days thereafter in the official City newspaper.

**3.06 CITY FUNDS TO BE SPENT IN ACCORDANCE WITH APPROPRIATIONS**. No money shall be drawn from the Treasury of the City nor shall any obligation for the expenditure of money be incurred, except in pursuance of the annual appropriation in the adopted budget or when changed as authorized by sec. 3.05 of this chapter. At the close of each fiscal year, any unencumbered balance of an appropriation shall revert to the general fund and shall be subject to reappropriation; but appropriations may be made by the Council, to be paid out of the income of the current year, in furtherance of improvements or other objects or works which will not be completed within such year, and any such appropriation shall continue in force until the purpose for which it was made shall have been accomplished or abandoned.

**3.07 APPROVAL OF CLAIMS.** (1) **PAYMENT OF ACCOUNTS.** Except as provided in sub. (2) below, accounts on demand against the City shall be paid pursuant to §66.0607, Wis. Stats. Claims presented to the Council for payment shall be verified as just and valid by the City Clerk, validated and accepted by the appropriate department head, and certified that funds are available for payment per the adopted budget of the City. The Clerk shall keep on file the details of all claims in accordance with generally accepted accounting principles and the State Statutes for record preservation.

(2) **PAYMENT OF REGULAR WAGES AND CERTAIN BILLS.** Regular wages or salaries of City officers and employes shall be paid by payroll, verified by the proper City official in time for payment on the regular pay day. The City Treasurer shall pay, when due, social security and withholding taxes, health and life insurance premiums, utility bills and contracted services.

**3.08 PURCHASES.** No equipment or supplies shall be purchased by any City official unless previously budgeted and an authorized purchase order is presented to the vendor. Purchase orders for \$250 or less shall be approved and authorized by a department head. Purchase orders for \$2,500 or less shall be approved and authorized by the City Clerk and purchase orders for more than \$2,500 shall be approved and authorized by the Mayor.

**3.09 PAYMENT OF PROPERTY TAXES.** (1) **REAL ESTATE TAXES.** Pursuant to sec. 74.11(2), Wis. Stats., real property taxes for the previous year shall be paid in full on or before January 31 or may be paid in 2 equal installments on or before January 31 and July 31. Real property taxes less than \$100 shall be paid in full on or before January 31 of each year.

(2) **PERSONAL PROPERTY TAXES; SPECIAL ASSESSMENTS.** There shall be no installment payments allowed on person property taxes or special assessments, the same being due and payable to the City Treasurer on or before January 31 of each year.

**3.10 PAYMENT PRIORITY.** If a payment is received that is not sufficient to pay special taxes, special assessments, special charges and general property taxes, including interest and penalties, such payment shall be applied in the following order:

- (1) Special charges
- (2) Special assessments
- (3) Special taxes
- (4) General property taxes (§74.12(11), Wis. Stats.)

**3.11 PRORATED PAYMENT OF PERSONAL PROPERTY TAXES.** Pursuant to §74.15(2), Wis. Stats., at the time that personal property is sold, it shall be the responsibility of the seller to pay to the City Treasurer the prorated taxes based upon the current valuation and the previous year's tax. It shall be the responsibility of the purchase to pay the remainder of the person property tax levied on or before the next January 31.

**3.12 ISSUANCE FEE FOR REVENUE BONDS.** The City may participate in the financing of public utilities and industrial facilities pursuant to the provisions of §§66.0612 and 66.1103, Wis. Stats., upon the agreement of the parties in a revenue agreement pertaining to such bonds to the payment to the City of an issuance fee in an amount of not less than .25% nor more than 1% of the total bond issue.

**3.13 ROOM TAX.** (1) **CREATED.** Pursuant to §66.0615, Wis. Stats., a tax of 3% of the gross receipts is hereby imposed on the privilege and service of furnishing, at retail, rooms,

lodging or sites to transients by lodging establishments and other persons furnishing overnight accommodations that are available to the public, irrespective of whether or not membership is required for the use of the accommodations. The tax shall not be subject to the selective sales tax imposed by §77.52(2)(a)1., Wis. Stats.

(2) **DEFINITIONS.** The words and phrases used in this section shall have the meaning defined in §66.0615, Wis. Stats. If there is any conflict between definitions provided herein and those found in §66.0615, Wis. Stats., the meanings and intent contained herein shall take precedence.

(a) **Lodging Establishment.** A building or group of buildings in which the public may obtain accommodations for consideration, including, without limitation, such establishments as hotels, inns, motels, tourist homes, apartment hotels, resort lodges, cabins, bed and breakfast establishments, campgrounds, boats and any other building, group of buildings, structures or vehicles in which overnight accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospital, sanitarium or nursing home, or corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporation or association inures to the benefit of any private shareholder or individual.

(b) **Gross Receipts.** As defined in §77.51(1)(a), (b) and (c), Wis. Stats., insofar as applicable.

(c) **Transient.** Any person residing for a continuous period of less than one month in a hotel or motel or other overnight accommodation available to the public.

(3) **ALLOCATION OF ROOM TAX.** The proceeds of the tax shall be allocated as follows:

(a) Seventy percent of the tax proceeds to the St. Croix Falls Area Chamber of Commerce, Inc. (Chamber).

(b) Thirty percent of the tax proceeds to the City.

1. Of the 30% of the tax proceeds allocated to the City, the City shall use the first \$5,000 collected per annum to defray administrative costs associated with the tax with the remainder going to the general fund.

2. Of any amount over \$5,000, the City shall earmark 50% for tourism related infrastructure, as determined by the Council, and the remaining 50% shall be used at the sole discretion of the City.

(4) **CHAMBER TOURISM SUBCOMMITTEE.** (a) The Chamber shall create a Tourism Subcommittee to oversee the expenditure of the tax proceeds disbursed to the Chamber. The Subcommittee shall operate under the auspices of the Chamber structure, but shall have the responsibility to ensure that all funds are used strictly for activities related to tourism promotion and development.

(b) The operation and bylaws of the Subcommittee shall be the responsibility of the Chamber and shall be composed of 5 voting members and 2

nonvoting ex officio members, all of whom shall be current Chamber members. The 5 voting members shall include the following:

1. One person who shall represent the City appointed by the Mayor and confirmed by the Council.
  2. One person who shall represent the lodging industry within the City and shall be currently employed by or have ownership interest in one of the establishments subject to the room tax.
  3. One person who shall represent the Chamber Board of Directors.
  4. Two “at large” members shall be appointed from the general Chamber membership.
- (c) With the exception of the City representative, the Chamber Board of Directors shall appoint all other members. Appointments shall be for a period of 2 years, staggered so that no more than 3 positions shall expire in any given year. The Subcommittee shall elect its own Chairperson, who shall serve a one year term.
- (d) The 2 nonvoting ex officio members shall be the Chamber Coordinator and the City Administrator or the Mayor or their appointed representative.
- (e) Ex officio positions shall be permanent.
- (f) Members may be reappointed for successive terms at the discretion of the body making the appointment.
- (g) On or before November 30 of each year or any other reasonable time as required by the City, the Chamber shall provide the City Treasurer with reports, and shall document any evidence that the tax proceeds are being used for the purposes set forth in this section.
- (h) The City representative on the Subcommittee shall have the responsibility for quarterly reporting to the Council regarding the activities of the Tourism Subcommittee.

(5) **TAX COLLECTION ENFORCEMENT.** (a) The City Treasurer shall administer this section and shall establish those measures necessary for such enactment.

- (b) The tax imposed is due and payable within 30 days of the end of each calendar quarter. Those who operate a lodging establishment within the City shall submit the tax to the City Treasurer. The tax shall be submitted with such forms as specified by the Treasurer along with an exact duplicate copy of the Wisconsin Sales Tax returns, showing the taxable gross receipts for the lodging establishment for the 3 months covered by the tax submission.
- (c) If any person liable for any amount of tax under this section sells out his business or quits the business, his successors or assigns shall be responsible for any unpaid tax due under this section.

- (d) Whenever the Treasurer has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, the Treasurer shall arrange for an audit of the financial records of any lodging establishment subject to the room tax to determine whether or not the correct amount of tax is assessed and whether or not the tax return is correct.
- (e) Any person or lodging establishment who fails to comply with a written request to inspect or audit appropriate financial records, as stated in par. (d) above, within a 30 day period after receiving the written request shall be subject to a forfeiture of 5% of the total tax due.
- (f) Delinquent tax returns shall be subject to a \$10 late filing fee plus interest at the rate of 1% per month on the unpaid balance.
- (g) If any person or lodging establishment fails, neglects or refuses to file a return, the Treasurer shall first notify the person or lodging establishment of the delinquency along with the late filing fee plus the interest. This notification shall be made after the tax is delinquent more than 30 days, but less than 60 days.
- (h) If the person or lodging establishment shall fail, neglect or refuse to make payment within 30 days of receiving the delinquency notice, the Treasurer shall make an estimate of the amount of the gross receipts for the applicable period. On the basis of this estimate, the Treasurer shall - compute and determine the amount required to be paid to the City. The person or lodging establishment shall then be required to pay the estimated amount of tax plus interest on the unpaid balance from the initial due date. No refund or modification of the payment determined may be granted until the person or lodging establishment files a correct room tax return and permits the City to inspect and audit the appropriate financial records.
- (i) If the Treasurer is forced to determine a tax due amount as provided in par. (h) above, a penalty of 25% of the previous year's tax, or an estimate thereof for the first year this tax is in place or \$5,000, whichever is less, shall be assessed in addition to applicable interest and other penalties.
- (j) Every person or business liable for the tax imposed by this section shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the Treasurer requires.
- (k) All tax returns, schedules, exhibits, writings or audit reports relating to such returns on file with the Treasurer are deemed to be confidential, except that the Treasurer may divulge their contents only to the following:
  - 1. The person who filed the return.
  - 2. Officers or agents of the City as may be necessary to enforce collection.
  - 3. Persons using the information in the discharge of duties imposed by law or other the duties of their office.

4. By order of a court.

Persons violating the confidentiality requirements of this section shall be subject to a forfeiture of \$500 per incident.