

CHAPTER 3 FINANCE AND TAXATION

3.01	Preparation of Tax Roll and Tax Receipts
3.02	Fiscal Year
3.03	Budget
3.04	Changes in Budget
3.05	City Funds to be Spent in Accordance with Appropriation
3.06	Installment Payment or Real Estate Tax
3.07	Destruction of Obsolete Public Records
3.08	Special Assessments Deferments
3.09	New Subdivisions - Sewer and Water Improvements
3.10	Delinquent Personal Property Penalties (Rep. Ord. #288)
3.11	Credit for Curb and Gutter and Paving Improvements
3.115	Allocations of Costs for Paving-Initial Install. of Curb & Gutter
3.12	Room Tax
3.13	Confidentiality of Income and Expense Information
3.14	Claims for Back Up of Sewer or Drains

3.01 PREPARATION OF TAX ROLL AND TAX RECEIPTS. (Am. MSC '86)

(1) **AGGREGATE TAX STATED ON ROLL.** Pursuant to Sec.70.65(2), Wis. Stats., the Clerk shall, in computing the tax roll, insert only the aggregate amount of State, County, local, school and other general property taxes minus credits applied under Sec.79.10(9), Wis. Stats., except credits determined under Sec.79.10(7m), Wis. Stats., 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, or, in the case of personal property, in the tax is levied. Each tax bill or receipt shall show the purpose for which the taxes are to be used giving the breakdown for State, County, local, school and other general property taxes. The tax roll shall indicate all corrections made under Sec.70.43 and 70.44, Wis. Stats.

(2) **TAX RECEIPTS.** Pursuant to Sec.74.08, Wis. Stats., the City Assessor-Treasurer shall enter in each tax receipt of the person paying the taxes, if that person is not the owner of the property taxed, the date of payment and the aggregate amount of taxes paid. Tax receipts shall be signed, and a duplicate kept, by the City Assessor-Treasurer after noting the payment of taxes upon the tax roll. The Assessor-Treasurer shall then deliver the receipt to the appropriate person.

3.02 FISCAL YEAR. The calendar year shall be the fiscal year.

3.03 BUDGET.

(1) **DEPARTMENTAL ESTIMATES.** When requested by the Finance Committee, each year, each officer, department and committee shall file with the Clerk an itemized statement of 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 conditions and management of such fund; also 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 Estimates," and shall be as nearly uniform as possible for the main division of all departments.

(2) **FINANCE COMMITTEE TO PREPARE.**

(a) Budget to Include. Each year the Finance Committee 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:

FINANCE AND TAXATION 3.03(2)(a)1

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.
3. An itemization of the amount of money to be raised from general property taxes which, with income from other sources, will be necessary to meet the proposed expenditures.
4. Such other information as may be required by the Council and by State law.

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

(3) 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 ordinances.

3.04 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. Notice of such transfer shall be given by publication within 15 days thereafter in the official City newspaper.

3.05 CITY FUNDS TO BE SPENT IN ACCORDANCE WITH APPROPRIATION. 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.3.04 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.

3.06 INSTALLMENT PAYMENT OF REAL ESTATE TAX.

(1) Owners of real estate in the City may elect to pay real estate taxes in installments as follows: One-fourth of such tax on or before January 31 of each year and the remainder in three equal installments payable on the last day of March, May and July. (Am. #314, 1990)

(2) If any owner of real estate elects to pay his real estate taxes in installments for any year as is set out in sub. (1), and if any installment of such extended tax shall not be paid on or before the installment paying date such taxpayer shall be subject to the provisions of Sec. 74.12, Wis. Stats., as it pertains to the installment tax payments.

3.07 DESTRUCTION OF OBSOLETE PUBLIC RECORDS. (Rep. & Recreated #707, 4/18/2006)

(1) PURPOSE. The purpose of this section of the City of Sparta Municipal Code is to specify retention periods for certain City Records and to allow access to Records to the same extent, and in the same manner, as allowed by state law.

(2) DEFINITIONS.

(a) "Legal Custodian" means the individual responsible for maintaining records pursuant to § 19.33, Wisconsin Statutes.

(b) "Record" has the meaning defined in § 19.32(2), Wisconsin Statutes.

(c) "Requester" has the meaning defined in § 19.32(3), Wisconsin Statutes.

(d) "Retention Period" is the minimum required period of time that a document will be maintained as described in § 3.07(4) of this Chapter.

(3) DUTY TO MAINTAIN. City of Sparta Legal Custodians shall maintain all Records for the Retention Period, and for any additional time period as described in § 3.07(6), below, if applicable. Thereafter, after the State Historical Society has waived receipt of the Records (see § 3.07(5), below), the Legal Custodian may destroy the Records.

(4) RETENTION PERIOD. The City of Sparta Common Council, by separate Resolution, shall adopt a schedule which describes the minimum time periods for which Records shall be maintained by a Legal Custodian of the City of Sparta. Said Resolution may be amended from time to time, as described below, and the Resolution and any amendments thereto are incorporated herein by reference. The initial Retention Schedule Resolution that is adopted contemporaneously with this ordinance has been reviewed and approved along with this ordinance by the State of Wisconsin Public Records and Forms Board. The Retention

FINANCE AND TAXATION 3.07(4)

Schedule Resolution shall not be modified in a manner that reduces the retention periods described in the initial Retention Schedule Resolution, or which adds additional documents to the schedule, unless those reductions or retention periods for additional documents are first reviewed and approved by the Wisconsin Public Records and Forms Board.

Any Record that is not described in the Retention Schedule shall be maintained for a minimum of seven (7) years, and may be destroyed thereafter unless a longer retention period is required by § 3.07(6), below, or by state statute, rule, or other applicable law.

(5) NOTICE TO STATE HISTORICAL SOCIETY. The Wisconsin State Historical Society has waived the notice that would otherwise be required prior to destruction of certain Records as described in the Retention Schedule. The Retention Schedule Resolution shall not be modified in a manner that waives notice to the Wisconsin State Historical Society, or which adds additional documents to the schedule and waives notice of their destruction, unless those waivers are first reviewed and approved by the Wisconsin Public Records and Forms Board and the Wisconsin State Historical Society.

In the event that the Retention Schedule does not specifically note the Wisconsin State Historical Society's waiver regarding any particular Record, then the Wisconsin State Historical Society must be given sixty (60) days written notice prior to destruction of the Record, as described in § 19.21(4)(a), Wisconsin Statutes.

(6) ADDITIONAL RETENTION PERIODS. In addition to the retention period described in the Retention Schedule, Records shall be maintained for the following additional time periods:

(a) A record that is existing at the time of a request shall not be destroyed until after the request is granted, or in the event the request is denied until at least the time period described in § 19.35(5), Wisconsin Statutes has passed from the date of the denial.

(b) A record that is existing at the time that the Legal Custodian receives written notice that a mandamus action relating to the record has been commenced pursuant to § 19.37, shall not be destroyed until the final court order is issued in the action and the appeals are exhausted, as further described in § 19.35(5), Wisconsin Statutes.

(c) A Record that is known by the Legal Custodian to be relevant to litigation that is pending at the time that the Record would otherwise be destroyed, shall not be destroyed until the litigation is resolved.

FINANCE AND TAXATION 3.07(7)

(7) **REPRODUCED ORIGINAL RECORDS.** Records may be kept and preserved through the use of microfilm or another reproductive device, optical imaging, electronic formatting, or any other reproduction format authorized by § 19.21(4)(c), Wisconsin Statutes, and said reproduction shall be deemed an original record for all purposes, in accordance with § 19.21(4)(c), Wisconsin Statutes.

(8) **PUBLIC ACCESS.** All Records maintained by a Legal Custodian shall be made available for inspection, copying, or other use that is authorized by state law, to the same extent as allowed by Wisconsin state statutes, including, but not limited to, § 19.35, Wisconsin Statutes, and in the same manner.

(9) **PHOTOCOPYING CHARGES.** A Requester shall pay a fee of twenty-five cents (\$0.25) per page for a photocopy of a Record, unless the Requester is specifically excluded from payment of the fee by state law. The Requester also shall pay such other fees as may be charged pursuant to state law, including, but not limited to, § 19.35(3), Wisconsin Statutes.

(10) All state statutes incorporated or referenced herein shall be deemed to include all subsequent amendments, repeals, and re-numbering that may be enacted regarding the same, in order to ensure uniform statewide regulation of public records.

3.08 SPECIAL ASSESSMENTS DEFERMENTS.

(1) The Council may, by resolution, direct the Treasurer to pay all, or any portion, of special assessments or special charges extended upon the current or next tax roll against property owned by and upon which reside worthy, indigent persons in accordance with Sec. 74.77 Wis. Stats., with interest. The applicable interest rate for each year or portion thereof that a special assessment or special charge is outstanding shall be 3% over the prime rate posted in the Wall Street Journal (Midwest Edition) under the column "Money Rates" reflective of corporate loans posted by at least 75% of the nation's 30 largest banks, on the first business day of January of the year in which the disbursement is made and shall remain in effect until paid in full. Guidelines for determination of eligibility for such City payment shall be established, from time to time, by the Council. (Amended #522, 1999)

(2) Application to the Council for such City payment shall be reviewed by a 3 member citizen commission appointed by the Mayor, approved by the Council, for staggered maximum 3 yr. terms. The commission shall have the assistance of the Department of Public Works and shall make its recommendation to the Council.

3.09 NEW SUBDIVISION - SEWER AND WATER IMPROVEMENTS. (Cr. #23) In any subdivision receiving final approval by the City Council after July 10, 1979, the owners

of the land in such subdivision shall be responsible for the entire cost of construction of all sewer and water improvements made to such subdivision. In determining the benefit to such property, the cost of construction subject to this assessment shall include the cost of labor, materials and other expenses reasonably related to installation of the improvement. Such cost shall be levied against the property as a special assessment in accordance with the procedure set forth in Sec.66.60, Wis. Stats., as amended. Payment of such special assessment may be deferred as provided by law in the discretion of the City Council. In case of conveyance, descent, foreclosure or other transfer, voluntary or involuntary or by operation of law, of property located in subdivision which is the subject of this section, the above requirements shall continue to bind the party or parties acquiring such lands. Owners of lands so transferred shall pay the cost of construction of such improvements on a pro rata basis in proportion to their ownership of street frontage served by such improvements.

3.10 DELINQUENT PERSONAL PROPERTY PENALTIES. (Rep. Ord. #288)

3.11 CREDIT FOR CURB, GUTTER AND PAVING IMPROVEMENTS ON CORNER LOTS. A parcel of land against which has been levied a special assessment for curb and gutter and/or paving improvement in one of the streets upon which it abuts shall be entitled to a deduction when levied upon for curb and gutter and/or paving improvement laid in the other street upon which such parcel of land abuts as follows: The parcel of land shall be assessed for all of the cost of such improvement on the shorter side of such lot and 50 percent of the cost of such improvement on the longer side of such lot. This formula will apply whether one or both sides are improved initially.

3.115 ALLOCATION OF COSTS FOR PAVING AT TIME OF INITIAL INSTALLATION OF CURB AND GUTTER. At time of the initial installation of curb and gutter on City streets, not covered by Chapter 18 of this Code of Ordinances, the City will be responsible for paying 50% of the cost of paving said street and the adjoining property owners will be assessed the remaining 50% based on lineal front footage. (Cr. #503, 1998)

3.12 ROOM TAX (Cr. #331, 1991)

(A) DEFINITIONS.

(1) "Hotel", "Motel", or "Bed & Breakfast" means a building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins and any other building or group of buildings in which accommodations are available to the public irrespective of whether membership is required for use of the accommodations, except accommodations rented for a continuous period of more than one (1) month and accommodations furnished by any hospitals, sanitariums, or nursing homes, or by

FINANCE AND TAXATION 3.12(A)(1)

corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual.

(2) "Gross receipts" has the meaning as defined in Wisconsin Statutes, Section 77.51(11)(a), (b) and (c) insofar as applicable.

(3) "Transient" means any person residing for a continuous period of less than one (1) month in a hotel, motel, bed & breakfast, or other furnished accommodations available to the public.

(B) TAX IMPOSED. (Am. #607, 2002) Pursuant to Wisconsin Statutes, Section 66.75, a tax is hereby imposed on the privilege and service of furnishing, at retail, rooms or lodging to transients by hotel keepers, motel operators, bed & breakfast operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Effective January 1, 2009, such tax shall be at a rate of six (6%) percent of the gross of receipts from such retail furnishing of rooms or lodging. Such tax shall not be subject to the selective sales tax imposed by Wisconsin Statutes, Section 77.52(2)(a)1. (Am. #769, 10/21/2008)

(C) USES OF TAX RECEIPTS. (Recr. #624, 2003)

(1) The Commission created pursuant to Chapter 66 of the Wisconsin Statutes is hereby abolished, effective September 1, 2003.

(2) The Sparta Area Chamber of Commerce may perform the functions of a tourism entity, defined as a non-profit organization providing staff, development or promotional services for the tourism industry in the City.

(3) A tourism entity receiving room tax revenue from the City shall promote and develop tourism, and shall report annually to the City pursuant to any agreement entered into for the receipt and expenditure of room tax funds.

(D) TREASURER TO ADMINISTER. This ordinance shall be administered by the City Treasurer. The tax imposed for each calendar quarter is due and payable on the last day of the month next succeeding the calendar quarter for which imposed. A return shall be filed with the Treasurer by those furnishing at retail such rooms and lodging, on or before the same date on which such tax is due and payable. Such return shall show the gross receipts of the preceding calendar quarter for such retail furnishing of rooms or lodging, the amount of taxes imposed for such period, and such other information as the Treasurer deems necessary. The return shall be accompanied by a copy of the Wisconsin Sales Tax Return filed by the person filing the room tax return for the

FINANCE AND TAXATION 3.12(D)

same period of time set forth in the room tax return. Every person required to file such quarterly returns shall, with his/her first return, elect to file an annual calendar year or fiscal year return. Such annual return shall be filed within ninety (90) days of the close of each such calendar or fiscal year. The annual return shall summarize the quarterly returns and modified returns, reconcile and adjust for errors in the quarterly returns and shall contain certain such additional information as the Treasurer requires. Such annual returns shall be made on forms as prescribed by the City Treasurer. All such returns shall be signed by the person required to file a return or his/her duly authorized agent, but need not be verified by oath. The Treasurer may, for good cause, extend the time for filing any return, but in no event longer than one (1) month from the filing date.

(E) **LIABILITY ON SALE OF BUSINESS.** If any person liable for any amount of tax under this ordinance sells out his/her business or stock of goods or quits the business, his/her successor or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the Treasurer that it has been paid or a certificate stating that no amount is due. If a person subject to the tax imposed by this ordinance fails to withhold such amount of tax from the purchase price as required, he/she shall become personally liable for payment of the amount required to be withheld by his/her to the extent of the price of the accommodations valued in money.

(F) **ENFORCEMENT OF COLLECTION OF ROOM TAX.** As a means of enforcing the collection of the room tax imposed hereunder, the City may:

(1) Whenever the City has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, inspect and audit the financial records of any person subject to subparagraph (B) pertaining to the furnishing of accommodations to determine whether or not the correct amount of room tax is assessed and whether or not any room tax return is correct, pursuant to sec. 66.75(2), Wis. Stats.

(2) The City may impose a forfeiture of five (5%) percent of the tax under subparagraph (B) or paragraph (3) below, on any person subject to said tax who fails to comply with a request to inspect and audit the person's financial records under paragraph (1) above.

(3) The City may determine the tax under subparagraph (B) according to its best judgment if any person required to make a return fails, neglects or refuses to do so for the amount, in the manner and form and within the time prescribed by the City.

(4) The City may require each person who is subject to paragraph (3) above to pay an amount of taxes the City determines to be due under paragraph (3) above plus interest at the rate of one (1%) percent per

FINANCE AND TAXATION 3.12(F)(4)

month on the unpaid balance. No refund or modification of the payment determined may be granted until the person files a correct room tax return and permits the City to inspect and audit his or her financial records under paragraph (1) above.

(5) The City may impose a forfeiture of twenty-five (25%) percent of the room tax due for the previous year under subparagraph (B) or paragraph (3) above or \$5,000.00, whichever is less, for failure to pay the tax under subparagraph (B).

(G) RECORDS. Every person liable for the tax imposed by this ordinance shall keep or cause to be kept such records, receipts, invoices, and other pertinent papers in such form as the City Treasurer requires.

(H) RETURNS CONFIDENTIAL.

(1) All tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the City Treasurer may divulge their contents to the following and no others:

(a) The person who filed the return.

(b) Officers, agents or employees of the Federal Internal Revenue Service or the State Department of Revenue.

(c) Officers, employees or agents of the City Treasurer, and professional persons employed for the purpose of enforcing this ordinance and its penalty provisions.

(d) Such other public officials of the City when deemed necessary.

(2) No person having administrative duty under this ordinance shall make known in any manner the business affairs, operations or information obtained by an investigation of records of any person on whom a tax is imposed by this ordinance, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof to be seen or examined by any person, except as provided herein.

(3) Any person who violates this subsection, relating to confidentiality of returns, may be required to forfeit not less than \$100.00 nor more than \$500.00.

3.13 CONFIDENTIALITY OF INCOME AND EXPENSE INFORMATION. (Cr. 539, 1999) Whenever the Assessor, in the performance of the Assessor's duties, requests or obtains income and expense information pursuant to Section 70.47 Wis. Stats., or

FINANCE AND TAXATION 3.13

any successor statute thereto, then, such income and expense information that is provided to the Assessor shall be held by the Assessor on a confidential basis, except, however, that the information may be revealed to and used by persons in the discharging of duties imposed by law, or office, including, but not limited to, use by the Assessor in performance of official duties of the Assessor's office and use by the Board of Review in the performance of official duties, or pursuant to order of a court. Income and expense information provided to the Assessor under Section 70.47, unless a court determines that it is inaccurate, is not subject to the right of inspection and copying under Section 19.35(1), Wis. Stats.

3.14 CLAIMS FOR BACK UP OF SEWER OR DRAINS. (Cr. #867, 05/21/2013)

Without admitting or accepting legal liability or responsibility to do so, the City may consider claims for damages to property, repair, replacement or clean up expenses, not to exceed \$1,000 in total, for sewer back up into a residential basement as a result of conditions originating in a public sewer main and not from a private lateral.