

CHAPTER 3

FINANCE

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3.01 PREPARATION OF TAX ROLL AND TAX RECEIPTS. (1) **AGGREGATE TAX STATED ON ROLL.** Pursuant to §70.65(2), Wis. Stats., the Clerk-Treasurer shall, in computing the tax roll, insert only the aggregate amount of State, County, school, local and other 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) **RATES STAMPED ON RECEIPTS.** Pursuant to §74.08(1), Wis. Stats., in lieu of entering on each tax receipt the several amounts paid respectively for State, county, school, local and other taxes, the aggregate amount of such taxes shall be combined in a single column on the tax receipt issued by the Clerk-Treasurer. The Clerk-Treasurer shall cause to be printed or stamped on the tax receipt the separate proportion or rate of taxes levied for State, County, school, local or other purposes. Pursuant to §70.665, Wis. Stats., the tax statement and receipt shall show the tax allocable to the property if there was no distribution of any State tax credit, school aids, V.T.A. district aids, highway aids and State shared revenue; the estimated amounts of said aids, credits or shared taxes to be paid to said taxing districts and allocable to the property; the aggregate net tax rate and net tax; and the assessed value and fair market value on the property. Pursuant to §70.09 (3)(a), Wis. Stats., only uniform tax bills and receipts prescribed by the Department of Revenue may be used after January 1, 1988.

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

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

3.03 CLAIMS AGAINST CITY. (1) **PAYMENT OF CLAIMS.** No account or demand against the City, other than claims subject to §893.80, Wis. Stats., shall be paid until the Clerk-Treasurer approves each claim as a proper charge against the treasury and endorses his approval after having determined that the following conditions have been complied with:

(a) That funds are available therefor pursuant to the budget.

(b) That the item or service covered by such claim has been duly authorized by the proper official, department head or board or commission.

(c) That the item or service has been actually supplied or rendered in conformity with such authorization.

(d) That the claim is just and valid pursuant to law.

(2) REVIEW OF CLAIMS. The Clerk-Treasurer shall file with the Council, not less than monthly, a list of the claims approved pursuant to sub. (1) above, showing the date paid, name of claimant, purpose and amount. The Council shall authorize an annual detailed audit of its financial transactions and accounts by a public accountant licensed under Ch. 442, Wis. Stats., and designated by the Council.

(3) PAYMENT OF REGULAR WAGES OR SALARIES. Regular wages or salaries of City officers and employes shall be paid by payroll, verified by the proper City official, department head, board or commission and filed with the Clerk-Treasurer in time for payment on the regular pay day.

(4) METHOD OF INCURRING CLAIMS. All actions of the Council appropriating money or creating a charge against the City, other than claims for the purchases or work previously authorized by the Council, shall only be acted upon at the next regular meeting after introduction, provided that this rule may be suspended by the affirmative vote of 2/3 of all members of the Council. A roll call vote shall be taken and recorded on all appropriations.

(5) BOND OF CLERK-TREASURER. The Clerk-Treasurer shall file and maintain a fidelity bond of not less than \$5,000 prior to making any payments pursuant to sub. (1) above.

3.04 PREPARATION AND ADOPTION OF ANNUAL BUDGET. (1) MAYOR TO PREPARE BUDGET. On or before November 10 each year, the Mayor, with the assistance of the Clerk-Treasurer and the Finance and Personnel 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 year. Before preparing the proposed budget, the Mayor shall consult with the heads of City departments and with City officials and shall then determine the total amount to be recommended in the budget for each City department or activity.

(2) FORM OF PROPOSED BUDGET. The proposed budget shall include the following information:

(a) The actual expenditures of each department and activity for the expired portion of the current year and the last preceding fiscal year and the estimated expense of conducting each department and activity of the City for the remainder of the current year and the ensuing fiscal year with reasons for any proposed increase or decrease as compared with actual and estimated expenditures for the current year.

(b) An itemization of all anticipated income of the City from sources other than general property taxes and bond issues 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 years.

(c) All existing indebtedness of the City, including the amount of interest payable and principal to be redeemed on any outstanding general obligation bonds and notes of the City and any estimated deficiency in the sinking fund of any such bonds and notes during the ensuing fiscal year.

(d) An estimate 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.

(e) Such other information as may be required by the Council or by State law.

The Council shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

(2a) BUDGET SUMMARY. The Clerk-Treasurer 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.

(3) APPROPRIATION ORDINANCE; HEARING. The Mayor, with the assistance of the Clerk-Treasurer, shall submit to the Council with the annual budget a draft of an appropriation ordinance providing for the expenditures proposed for the ensuing fiscal year. Before adoption of a final appropriation ordinance, the Council shall hold a public hearing on the budget and the proposed appropriation ordinance as required by law.

(4) CHANGES IN FINAL BUDGET. The Council may at any time, by a 2/3 vote of the entire membership, transfer any portion of an unencumbered balance of an appropriation to any other purpose or object. Notice of such transfer shall be given by publication within 10 days thereafter in the official newspaper of the City.

(5) EXPENDITURES LIMITED BY ANNUAL 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 ordinance and changes therein authorized in accordance with sub. (4) above. 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 be placed in a non-lapsing sinking fund and shall continue in force until the purpose for which it was made shall have been accomplished or abandoned.

3.05 DELINQUENT PERSONAL PROPERTY TAXES. (Ord. #06-2003) Pursuant to §74.80(2)(a), Wis. Stats., the Council hereby imposes a penalty of 0.5% per month or fraction of a month, in addition to the interest imposed under §74.47(1), Wis. Stats., on any overdue or delinquent personal property taxes.

3.06 ROOM TAX (Ord. #02-2011) (1) DEFINITIONS. (a) "Hotel or motel" 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 houses or courts, lodging houses, rooming houses; summer camps, apartment hotels, resort lodges, bed and breakfasts 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 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 association inures to the benefit of any private shareholder or individual and further excluding any accommodations located within a private residence not normally held out to use by the public and which are not used for public accommodations more than ten (10) days in any calendar year.

(b) "Gross receipts" has the meaning as defined in Wis. Stats., §77.51(4)(a), (b), and (c) insofar as applicable and any amendments thereto.

(c) "Transient" means any person, firm, corporation or entity residing for a continuous period of less than one (1) month in a hotel, motel or other furnished accommodation available to the public. Excluding from the definition of transient shall be all state employees or officials, employees of any state agency, officials or employees of any political subdivision of the state and officials or employees of any municipal corporation provided, however, said individuals is/are acting within his/her/their employment or official capacity.

(d) "Tourism entity" means a nonprofit organization that provides staff, development or promotional services for the tourism industry in a municipality.

(2) TAX IMPOSED. Pursuant to Wis. Stats., §66.0615, or any amendments thereto, a tax is hereby imposed on the privilege and service of furnishing, at retail, rooms or lodging to transients by hotel keepers, motel operators and other person, firm, corporation or entities furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Such tax shall be at a rate of four percent (4%) of the gross receipts from such retail furnishing of rooms or lodging commencing with the date of publication of this Ordinance. The proceeds of such tax collected shall be apportioned as follows:

(a) The City shall retain twenty percent (20%) for the administration of the room tax and for community projects.

(b) The City shall distribute eighty percent (80%) to the Commission for the purposes of advertising, development and distribution of promotional materials, planning and coordinating special events, dissemination of tourist information, business attraction and retention, economic development, and personnel/administrative costs associated with these activities.

(3) TOURISM COMMISSION. (a) A "Tourism Commission" is created pursuant to §66.0615 (b) and (c), Wis. Stats. Pursuant to § 66.0615(1m)(b)4, the Commission shall contract with one tourism entity from the municipality to obtain staff, support services and assistance in developing and implementing programs to promote the municipality to visitors. If no tourism entity exists, the Commission shall contract with another organization to perform the functions of a tourism entity.

(b) The Commission may be composed of five (5) members with the following recommended composition:

1. One (1) representative from the lodging establishment in the City with the largest number of guest rooms.
2. One (1) representative who shall be a citizen at large.
3. One (1) representative from the tourism entity with whom the Commission contracts to carry out the activities and functions of the Commission.
4. One (1) representative from a retail business within the City of Darlington.
5. One (1) representative from another tourist attraction within the City of Darlington.

(c) Members of the Commission shall serve for a one year term and may be re-appointed.

(d) Members to the Commission shall be appointed by the Mayor and approved by the Common Council.

(e) The Commission shall meet a minimum of once per calendar quarter and from its members shall elect a chairperson, vice-chairperson and secretary.

(f) The Commission shall report any inaccurate reporting or delinquencies to the Clerk-Treasurer of the City.

(g) The Commission shall submit an annual budget to the City of Darlington no later than October 1 of each year.

(h) The Commission shall submit an annual compilation of expenditures to the City of Darlington no later than February 1 of each year.

(4) ADMINISTRATION. This ordinance shall be administered by the Clerk-Treasurer for the City of Darlington. The tax imposed is due and payable within thirty (30) days of the end of each quarter. A return shall be filed with the Clerk-Treasurer for the City of Darlington by those furnishing at retail such rooms, lodging, or sites within the City on or before the same day on which such tax is due and payable upon a form approved by the City. Every person, firm, corporation, or entity required to file such quarterly return shall also file an annual calendar return. Such annual return shall be filed within thirty (30) days of the end of the calendar year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain certain additional information as the Clerk-Treasurer for the City of Darlington requires. The Clerk-Treasurer for the City of Darlington may for good cause extend the time for filing any return but in no event longer than one (1) month from filing date.

(5) APPLICATION. Every persons, firm, corporation, or entity furnishing rooms, lodging or sites hereunder shall file with Clerk-Treasurer for the City of Darlington an annual application for a permit for each place of business. Every application for a permit shall be made upon form prescribed by the Clerk-Treasurer for the City of Darlington. At the time of making an application, the applicant shall pay the Clerk-Treasurer for the City of Darlington a fee of \$10.00 for each permit. The permit is valid only as to the applicant and is not assignable or transferable. All new applications are due within five (5) days of first furnishing rooms, lodging or sites. The application fee above referenced to shall be paid on an annual basis for that period of time commencing July 1 to and including June 30.

(6) LIABILITY ON SALE OF BUSINESS. If any person, firm, corporation or entity liable for any amount of tax under this Ordinance sells out his/her business or stock of goods or quits the business, his/her successors or assigns shall withhold a sufficient portion of the purchase price to cover such amount until the former owner produces a receipt from the Clerk-Treasurer for the City of Darlington that he/she has paid all tax due hereunder or a certificate stating that no amount is due has been obtained. Any person, firm, corporation or entity who by said purchase becomes 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 him/her to the extent of the price of the accommodations valued in money.

(7) ANNUAL REPORT OF ROOMS. The Commission shall annually file with the Clerk-Treasurer for the City of Darlington a list of hotels, motels and sites and regularly update it for the purpose of maintaining an accurate list of facilities subject to this Ordinance.

(8) AUDITS. (a) The Clerk-Treasurer of the City of Darlington or his/her agent(s) may, by office audit, determine the tax required to be paid to the City or the refund due to any person, firm, corporation or entity under this Ordinance. This determination may be made upon the basis of the facts contained in the return being audited or on the basis of any of the information within the Clerk-Treasurer for the City of Darlington's possession. One (1) or more such office audit determinations may be made of the amount due for anyone or for more than one (1) period.

(b) Upon seven (7) days written notice, the Clerk-Treasurer for the City of Darlington or his/her agent(s) may by field audit, determine the tax required to be paid to the City or the refund due to any person, firm, corporation or entity under this Ordinance. The determination may be made upon the basis of the facts contained in the return being audited or upon any other information within the Clerk-Treasurer for the City of Darlington's or his/her agent(s) possession. The Clerk-Treasurer for the City of Darlington is authorized to examine and inspect the books, records, memoranda and property of any person, firm, corporation or entity in order to verify the tax liability of that person, firm, corporation or entity or of another person, firm, corporation or entity. Nothing herein shall prevent the Clerk-Treasurer for the City of Darlington from making a determination of tax at any time.

(9) FAILURE TO FILE RETURN/FAILURE TO PAY TAX. (a) If any person, firm, corporation or entity fails to file a return as required by this section, the Clerk-Treasurer for the City of Darlington shall determine the tax according to his/her best judgment on the basis of what amount of taxes the City determines to be due. The Clerk-Treasurer for the City of Darlington shall compute and determine the amount required to be paid to the City and in addition add to said sum, interest at the rate of 1% per month on the unpaid balance. In addition, all tax due hereunder shall become a lien on the real property from which said tax was derived.

(b) If any person, firm, corporation or entity that is subject to the tax imposed by this Ordinance fails to pay the tax due, such person, firm, corporation or entity in addition to the tax due shall pay a penalty on said amount due that is the lesser of 25% of the tax due for the previous year or \$5,000.00. All taxes and penalties shall bear interest at the rate of 1% per month on the unpaid balance. Further and in addition, all tax due hereunder shall become a lien on the real property from which said tax was derived.

(c) Every person, firm, corporation or entity 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 Clerk-Treasurer for the City of Darlington requires.

(10) RETURNS CONFIDENTIAL. (a) All returns, schedules, exhibits, writings or audit reports relating to such returns on file with the Clerk-Treasurer for the City of Darlington may be divulged only to the following and no others:

1. The person, firm, corporation or entity who filed the return.
2. Officers, employees or agents of the Clerk-Treasurer for the City of Darlington.

(b) No person, firm, corporation or entity having administrative duties under this Ordinance shall make known in any manner the business affairs, operations or information obtained by an investigation of records of any person, firm, corporation or entity on whom a tax is imposed by this Ordinance, or the amount or source of income, profits, losses, expenditures or any particulars thereof, set forth or disclosed in any return, or permit any return or copy thereof to be seen or examined by any person, firm, corporation or entity, except as provided herein. Any person in violation of this subsection shall be subject to penalty as set forth below.

(11) PENALTY. In addition to the penalties above set forth, any person, firm, corporation or entity subject to the tax imposed by this Ordinance who fails to obtain a permit as required hereunder or who fails or refuses to permit inspection of his/her records by the Clerk-Treasurer for the City of Darlington after such inspection has been duly requested by the Clerk-Treasurer for the City of Darlington, or who fails to file a return as provided by this Ordinance, or who violates any other provision of this Ordinance, shall upon conviction thereof, and in addition to any other penalty imposed herein, forfeit not less than \$20.00 nor more than \$500.00 and the costs of prosecution. Each day or portion thereof that such violation continues is hereby deemed to constitute a separate offense. In addition, all money penalties herein prescribed shall become a lien on the real property which is required to be covered by permit hereunder.