

CHAPTER 3

FINANCE AND TAXATION

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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, vocational district and local taxes in a single column on 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) TAX RECEIPTS. Pursuant to §74.08(1), Wis. Stats., the Clerk/Treasurer shall enter in each receipt for the payment of taxes the name 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.

3.02 FISCAL YEAR.

The calendar year shall be the fiscal year.

3.03 BUDGET.

- (1) DEPARTMENTAL ESTIMATES. Annually, at a time specified by the Village President, each officer, department and committee shall file with the Village Clerk/Treasurer an itemized statement of disbursements made to carry out the powers and duties of such officer, department or committee during the preceding fiscal year; 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; and detailed estimates of the same matters for the current and ensuing fiscal years. Such statements, which shall be designated as “Departmental Estimates,” shall be presented in the form prescribed by the Village Clerk/Treasurer, such form to be as nearly uniform as possible for the main division of all departments.
- (2) PREPARATION OF PROPOSED BUDGET.
 - (a) Village Clerk/Treasurer to Prepare. The Village Clerk/Treasurer shall prepare and submit to the Board a proposed budget presenting a financial plan for conducting the affairs of the Village for the ensuing fiscal year.
 - (b) Information Required. The budget shall include the following information:

1. The expense of conducting each department and activity of the Village 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 Village from sources other than general property taxes and bonds issued, with a statement comparing the amounts received by the Village from each of the same or similar sources for the last preceding and current fiscal year.
 3. All existing indebtedness to the Village, including the amount of interest payable and principal to be redeemed on any outstanding general obligation bonds of the Village and any estimated deficiency in the sinking fund of any such bonds during the ensuing fiscal year.
 4. 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.
 5. Such other information as may be required by the Board and by State law.
- (c) Copies Required. The Village shall provide a reasonable number of copies of the budget thus prepared for distribution to citizens.

- (3) HEARING. The Village Board shall hold a formal public hearing on the budget at the time of its presentation by the Village President.

3.04 CHANGES IN BUDGET.

The amount of the tax to be levied or certified and 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 all the members of the Village Board. Notice of such change shall be given by publication within 15 days thereafter.

3.05 VILLAGE FUNDS TO BE SPENT IN ACCORDANCE WITH APPROPRIATIONS.

No money shall be drawn from the treasury of the Village, 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 Section 3.04. 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 Board, 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 has either been accomplished or abandoned.

3.06 CLAIMS PROCEDURE.

- (1) **GENERALLY.** Payments may be made from the Village treasury after the Clerk/Treasurer audits and approves each claim as a proper charge against the treasury, and endorses his approval on the claim after having determined that the following conditions have been complied with:
 - (a) That funds are available therefor pursuant to the budget approved by the Village Board.
 - (b) That the item or service covered by such claim has been duly authorized by the proper official, department head, 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. The Clerk, in his discretion, may require the submission of such proof and evidence to support the foregoing.
- (2) **MONTHLY REPORT.** The Clerk/Treasurer shall file with the Village Board not less than monthly a list of the claims approved, showing the date paid, name of claimant, purpose and amount.
- (3) **ANNUAL AUDIT.** The Village Board shall authorize an annual detailed audit of its financial transactions and accounts by the Department of Revenue pursuant to §73.10, Wis. Stats., or by a public accountant licensed under Ch. 442, Wis. Stats., the designation to be made by the Village Board.
- (4) **BOND REQUIRED.** The Clerk/Treasurer shall be covered by a fidelity bond of not less than \$5,000, pursuant to §66.044(4), Wis. Stats.
5. **PAYMENT OF REGULAR WAGES OR SALARIES.** Regular wages or salaries of Village officers and employees shall be paid by payroll, verified by the proper Village official and filed with the Village Clerk/Treasurer in time for payment on the regular pay day.

3.07 LETTING OF CONTRACTS.

As a complete alternative to the requirements established by §§61.54 and 61.55, Wis. Stats., §62.15, Wis. Stats., shall apply to Village contracts. The authority vested in the Board of Public Works by §62.15, Wis. Stats., shall be exercised by the Village Board, or as delegated by the Village Board.

3.08 DUPLICATE TREASURER'S BOND.

- (1) ELIMINATED. The Village elects not to give the bond on the Village Clerk/Treasurer provided for by §70.67(1), Wis. Stats.
- (2) VILLAGE LIABLE FOR DEFAULT OF TREASURER. Pursuant to §70.67(2), Wis. Stats., the Village shall pay, if the Clerk/Treasurer fails to do so, all State and County taxes required by law to be paid by such Clerk/Treasurer to the County Treasurer.

3.09 TEMPORARY INVESTMENT OF FUNDS NOT IMMEDIATELY NEEDED.

The Clerk/Treasurer may invest any Village funds not immediately needed, pursuant to §66.04(2), Wis. Stats.

3.10 PERSONAL PROPERTY TAXES, INTEREST.

- (1) All personal property taxes shall be due and payable on or before the 31st day of March of each year.
- (2) Anyone failing to pay the personal property tax on or before the date set out in sub. (1) shall pay interest from the date the same became due at the rate of 1% per month.
- (3) Except as otherwise provided by the ordinances of the Village, any services rendered to the individuals or property of the Village, which are to be paid by a date determined, bear interest upon the balance at the rate of 1% per month.

3.11 COLLECTION OF TAX ON OVERNIGHT LODGING.

- (1) DEFINITIONS. In this chapter, the following shall apply:

Gross receipts has the meaning as defined in Wis. Stat. Sec. 76.48(d): “*Gross receipts*” means total revenue received from the retail furnishing of rooms, lodging, or similar accommodations by a hotel or motel as defined herein.

Hotel and motel have the meaning as defined in Wis. Stat. Sec. 77.52(2) (a)1:

“*Hotel and motel*” means a building or a 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, bed and breakfast establishments, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins, commercial indoor lodging facilities and any other building or group of building in which accommodations are available to the public, except accommodations rented for a continuous period of more than 30 consecutive days 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 associations inures to the benefit of any private shareholder or individual.

“*Municipality*” means the Village of Sturtevant, Wisconsin.

“*Payor*” means the person or entity who owes the tax imposed by this article.

“*Room tax*” means the tax imposed by this Ordinance.

Tourism has the meaning as defined in Wis. Stat. Sec. 66.0615(1)(e): “*Tourism*” means any travel for recreational, business or educational purposes.

Transient has the meaning as defined in Wis. Stat. Sec. 77.52(2) (a)1: “*Transient*” means any person residing for a continuous period of less than 30 consecutive days in a hotel, motel, or other furnished accommodations available to the public.

“*Tourism Entity*” means a nonprofit organization that provided staff, development or promotional services for the tourism industry in the municipality, and as one of its primary purposes the generation of paid overnight stays. The tourism entity must have a governing board comprised of over 50% representation from the area's restaurants, drinking places, gift/souvenir shops, hotels, motels, bed and breakfasts, tourist rooming houses, public golf courses, amusement parks or other tourist attractions; 25% or more of the total board must be owner's or operators of room tax paying lodging establishments.

Tourism promotion and development has the meaning as defined in Wis. Stat. Sec. 66.0615(1) (fm): “Tourism promotion and development” means any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which a room tax may be imposed, that are owned by different persons and located within the municipality; or, if the municipality has only one such establishment, reasonably likely to generate paid overnight stays in that establishment:

1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motor coach groups.
 2. Transient tourist informational services.
 3. Tangible municipal development, including a convention center.
- (2) IMPOSITION OF ROOM TAX. Pursuant to Wis. Stat. Sec. 66.0615, a tax is hereby imposed on the privilege and services of furnishings, at retail, of rooms or lodging to transients by hotel keepers, motel, operators and other persons 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 the rate of 8% of the gross receipts from such retail furnishing of rooms or lodgings. Such tax shall not be subject to the selective sales tax imposed by Wis. Stat. Sec. 77.52(2) I and may not be imposed upon sales to the federal government and persons listed under Wis. Stat. Sec. 77.54 (9a).
- (3) DISTRIBUTION OF ROOM TAXES COLLECTED. Upon receipt of the room taxes that are collected, the Village shall distribute all 75% of the room taxes to the Tourism Commission. If the Village retains 25% of the room taxes or less, then such funds shall be retained by the Village in its general fund.
- (4) CREATION AND DUTIES OF TOURISM COMMISSION:
- a. The Tourism Commission shall consist of six members who shall be appointed by the Village President with approval of the Village Board. The Tourism Commission will consist of the following personnel:
 1. Two representatives for the local lodging industry;
 2. A Village Board Member;
 3. Two representatives for the tourism industry; and

4. The Village President or Village Administrator who shall serve as Chairperson, or their designee.
 5. Except for the Village President or Village Administrator, each member's term will be for a one-year period and each member may serve multiple terms.
- b. The Tourism Commission shall contract with the Tourism Entity who shall spend the room taxes on tourism promotion and development.
 - c. The Tourism Commission and Tourism Entity, with whom it contracts, shall not use any of the room tax revenue to construct or develop a lodging facility.
- (5) TRACKING AND REPORTING ROOM TAX REVENUE EXPENDITURES. The Tourism Commission shall track the use of room tax revenue expenditures and state its impact on generating paid overnight stays in the community. The Tourism Commission shall permit and allow inspections of its records pertaining to the use of the room tax funds upon request of the Tourism Commission at reasonable times. The Tourism Commission shall provide a written report as determined by the Tourism Commission, no less than annually, and such report shall be available to the Municipality and public upon request.
- (6) COLLECTION OF TAXES.
- a. The collection of the tax imposed by this article shall administered by the city treasurer. The tax imposed is due and payable on the last day of the month next succeeding the calendar quarters for which imposed. A return shall be filed with the Village Treasurer, by those furnishing at retail such rooms and lodging, on or before the same date on which the tax is due and payable. Such return shall show the gross receipts of the preceding calendar quarters from such retail furnishings of rooms or lodging, the amount of taxes imposed for such period, and such other non-confidential information as the Village Treasurer deems reasonably necessary. Every person required to file such a quarterly return shall, with their first return, elect to file an annual calendar or fiscal year return. Such annual return shall be filed within 90 days of the close of each such calendar or fiscal year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain such additional non-confidential information as the Village Treasurer requires. Such annual returns shall be made on forms as prescribed by the Village Treasurer. All such returns shall be signed by the person required to file a return or their duly authorized agent but need not be verified by oath. The Village Treasurer may, for good

cause, extend the time for filing any return, but in no event longer than one month from the filing date.

- b. The correct amount of tax shall accompany each quarterly tax return and be made payable to the village.
- (7) SALE OR CONVEYANCE OF BUSINESS. If any person liable for any amount of tax under this section sells out their business or stock of goods or quits the business, their successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the Village Treasurer that is has been paid or a certificate stating that no amount is due. If [any] person subject to the tax imposed by this section fails to withhold such amount of tax from the purchase price as required, they shall become personally liable for payment of the amount required to be withheld by them to the extent of the price of the accommodations valued in money.
- (8) DETERMINATION OF TAX BY AUDIT.
- a. The Village Treasurer may, by office audit, determine the tax required to be paid to the village or the refund due to any person under this chapter. This determination may be made upon the basis of the facts contained in the return being audited or based on any other information within the Village Treasurer's possession. One or more such office audit determinations may be made of the amount due for anyone or for more than one period.
 - b. The Village Treasurer may, by field audit, determine that tax required to be paid to the village or the refund due to any person under this chapter. The determination may be made upon the basis of the facts contained in the return being audited or upon any other information within the Village Treasurer's possession. Whenever the Village 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 Village Treasurer is authorized to examine and inspect the financial records pertaining to the furnishing of accommodations at the establishment in question to verify the tax liability of that person or of another person.
- (9) FAILURE TO FILE ROOM TAX RETURN. If any person fails to file a return by this chapter, the Village Treasurer shall make an estimate of the amount of the gross receipts under subsection [10- I05]. Such estimate shall be made for the period for which such person failed to make a return and shall be based upon any information which is in the Village Treasurer's possession or may come into their possession. Based on this estimate, the Village Treasurer shall compute and

determine the amount required to be paid to the village. One or more such determinations may be made for one or more than one period.

(10) FORFEITURE RELATING TO FAILING TO COMPLY WITH A REQUEST TO INSPECT AND AUDIT THE PERSON'S FINANCIAL RECORDS AND FAILING TO FILE RETURNS TIMELY.

- a. A forfeiture, not to exceed 5% of the room tax, may be imposed on a person who fails to comply with a request to inspect and audit the person's financial records.
- b. Require the person who is subject to pay an amount of taxes that is due to pay said tax plus interest at the rate of 1% per 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 municipality to inspect and audit their financial records.
- c. A forfeiture, not to exceed 25% of the room tax due for the previous year or \$3,000, whichever is less, of the tax imposed, will be imposed in the event that the room tax is not paid.

(11) RECORD KEEPING REQUIREMENTS. 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 relating to the payment of room taxes in such form as the Village Treasurer requires.

(12) CONFIDENTIALITY OF TAX RETURNS.

- a. All tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the Village Treasurer are deemed to be confidential, except the Village Treasurer may divulge their contents to the following, and no others:
 1. The person who filed the return.
 2. Employees or agents of the Village Treasurer or other persons for use in the discharge of the duties of their office (unless otherwise prohibited by law), or by order of court.
- b. No person having an administrative duty under this section shall make known in any manner the business affairs, operations or information obtained by an investigation of records or any person on whom a tax is imposed by this article, or the amount of 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 otherwise provided in this ordinance.

- (13) EXEMPTIONS. For the tax year 2019, any person or business otherwise required to file a return and make payment to the village under this article will be allowed an exemption from the requirement to collect and pay room tax for any signed contract dated prior to adoption of this article in which the contract guarantees the lodging rates. This exemption will expire end of 2019.