



Legislation Text

File #: 04101, Version: 1

Fiscal Note

This amendment brings the ordinance regarding special assessment interest charges into conformity with existing practices. It also establishes an automatic annual adjustment of the interest rate for new special assessments so that the rate charged will remain consistent with the City's cost of financing the related capital projects. There is no significant fiscal impact resulting from this amendment.

Title

Amending Sections 4.08 and 4.081(3) of the Madison General Ordinances to modify the maximum allowable term for installment payments and change the interest rate on deferrals and installments.

Body

DRAFTER'S ANALYSIS: This ordinance would redefine the maximum allowable term for installment payments and change the interest rate on deferrals and installments from the 10% currently stated in the ordinance (9% for Water Utility assessments) to a rate to be calculated annually, based on the City's most recent borrowing costs. For 2006, the interest rate calculation result would be 5%. These changes would bring the ordinance into conformity with the City's actual practices.

The Common Council of the City of Madison do hereby ordain as follows:

1. Section 4.08 entitled "Special Assessments -- Payment in Installments" of the Madison General Ordinances is amended to read as follows:

"4.08 SPECIAL ASSESSMENTS--PAYMENT IN INSTALLMENTS.

- (1) Whenever any special assessments shall be levied to defray the cost of any public improvement, such special assessments may be paid in annual installments of not more than ~~ten (10)~~ fifteen (15) in number for major improvements nor more than ~~eight (8)~~ for sidewalk repair and installation of street lights and street trees as determined by the Common Council. ~~Board of Public Works, except that the Board may increase the annual installments to fifteen (15) if more than one type of major public improvement (street, public water main, or public sewer main) is assessed.~~ However, the number of installments may not exceed ten (10) if the special assessments are made pursuant to Sec. 16.23(9) of these ordinances.
- (2) The first installment shall include a proportionate part of the principal of the special assessment determined by the number of installments, together with interest at the rate of ~~ten percent (10%) per annum in effect at the time the assessment is levied.~~ The interest rate for each calendar year shall be determined by the City Comptroller at the beginning of each year using the cost of the prior year general obligation borrowing (%) plus one percent (1%) for administration rounded up to the next highest one-half percent (0.5%). ~~The interest rate for water main assessments shall be nine percent (9%) per annum.~~ Said interest rate shall be computed for a period of ~~nine (9) months, from the date the assessment is billed through the next succeeding October 31,~~ and each subsequent installment shall include a like proportion of the principal and twelve (12) months interest upon the unpaid portion of such assessment. ~~There shall be an annual review by the Board of Estimates of the interest rate charged pursuant to this section.~~
- (3) The first installment shall be entered in the first tax roll prepared after said installments shall have been determined as a special tax on the property upon which the special assessment was levied, and thereafter this tax shall be treated in all respects as any other municipal tax. One of the subsequent installments shall be entered in a like manner and with like effect in each of the annual tax rolls thereafter until all are levied.
- (4) If any installment so entered in the tax roll shall not be paid to the municipal treasurer with the other taxes it shall be returned to the county as delinquent and accepted and collected by the county in the same manner as delinquent general taxes on real estate."

2. Subsection (3) of Section 4.081 entitled "Deferred Assessments" of the Madison General Ordinances is amended

to read as follows:

- "(3) If the Common Council defers the due date of special assessments under this section, it shall make an annual interest charge ~~not to exceed ten percent (10%) of the total deferred assessment on the total deferred assessment not to exceed the rate in effect at the time the assessment was levied and deferred,~~ which charge shall be added to the total assessment for each year of deferment. ~~There shall be an annual review by the Board of Estimates of the interest rate charged pursuant to this section.~~"