# Legislation Details (With Text)

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| **File #:** | 18498 | **Version:** 2 | **Name:** | Taxes | |
| **Type:** | Ordinance | | **Status:** | Passed | |
| **File created:** | 5/12/2010 | | **In control:** | CITY-COUNTY LIAISON COMMITTEE | |
| **On agenda:** | 6/4/2013 | | **Final action:** | 6/4/2013 | |
| **Enactment date:** | 6/13/2013 | | **Enactment #:** | ORD-13-00105 | |

**Title:** SUBSTITUTE Amending Sections 4.07(1) and (2) and creating Sections 4.07 (1) through (11) of the Madison General Ordinances to provide for installment payment of real property tax and personal property taxes for improvements on leased land and establish payment procedures for personal property tax, special charges, special assessments and special taxes.

**Sponsors:** Mark Clear, Lauren Cnare

**Indexes:**

**Code sections:**

**Attachments:** 1. 18498 - Registration Forms.pdf, 2. Four Installments: Pros & Cons, 3. Four Installment: Bullet Points, 4. Wi Stat 74 12, 5. Municipalities with 3 or more payments, 6. 18498 - Registration Form 7-6-10.pdf, 7. Delinquencies 2/21/11.pdf, 8. res3410-11.pdf, 9. Worzala chart.pdf, 10. The Effect of Increasing the Number of property Tax Payment Installments on the Rate of Property Tax Delinquency.pdf, 11. 04_17_12 Parisi Letter.pdf, 12. Version 1, 13. 18498 6.4.2013 Common Council registrations.pdf

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 6/4/2013 | 1 | COMMON COUNCIL | Adopt Substitute | Pass |
| 5/20/2013 | 1 | CITY-COUNTY LIAISON COMMITTEE | RECOMMEND TO COUNCIL WITH THE FOLLOWING RECOMMENDATIONS - REPORT OF OFFICER | Fail |
| 3/8/2012 | 1 | CITY-COUNTY LIAISON COMMITTEE | Re-refer | |
| 8/2/2011 | 1 | COMMON COUNCIL | Re-refer | Pass |
| 7/14/2011 | 1 | CITY-COUNTY LIAISON COMMITTEE | RECOMMEND TO COUNCIL TO RE-REFER - REPORT OF OFFICER | Pass |
| 5/3/2011 | 1 | COMMON COUNCIL | Re-refer | Pass |
| 2/22/2011 | 1 | COMMON COUNCIL | Re-refer | Pass |
| 12/14/2010 | 1 | COMMON COUNCIL | Re-refer to a Future Meeting to Adopt | Pass |
| 7/6/2010 | 1 | COMMON COUNCIL | Re-refer | Pass |
| 6/15/2010 | 1 | COMMON COUNCIL | Referred | |
| 6/1/2010 | 1 | COMMON COUNCIL | | |
| 5/24/2010 | 1 | | Refer | |
| 5/24/2010 | 1 | BOARD OF ESTIMATES (ended 4/2017) | RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER | Pass |
| 5/24/2010 | 1 | BOARD OF ESTIMATES (ended 4/2017) | Refer | Fail |
| 5/18/2010 | 1 | COMMON COUNCIL | Referred | |



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| 5/12/2010 | 1 | Attorney's Office/Approval Group | Referred for Introduction |

## Fiscal Note

The proposed ordinance revision would allow Madison taxpayers to pay property taxes in four installments rather than in two installments, which has been the historical practice. It would also shift the responsibility for collection of all installments and most delinquent taxes from the County Treasurer to the City Treasurer. This administrative change would shift the collection of interest and penalty on most delinquent taxes from the County to the City during the first six months of delinquency and would increase revenue for the City by an estimated $200,000 or more per year. The City Treasurer believes that the proposed four-installment collection can be completed with existing staff resources. There may be some additional costs for mailing and supplies of up to $10,000 or $20,000 per year. G.O. borrowing of $40,000 for initial software reprogramming costs is included in the Information Technology 2013 Capital Budget (Project No. 10, 810708).

## Title

SUBSTITUTE Amending Sections 4.07(1) and (2) and creating Sections 4.07 (1) through (11) of the Madison General Ordinances to provide for installment payment of real property tax and personal property taxes for improvements on leased land and establish payment procedures for personal property tax, special charges, special assessments and special taxes.

## Body

DRAFTER'S ANALYSIS: This ordinance reorganizes and clarifies the previous sections and establishes a multiple installment payment option of real property taxes and personal property taxes for improvements on leased land, rather than the previous two installments. The minimum payment shall be $100 and each installment shall consist of ¼ of the aggregate real property tax levied. The amendment establishes payment dates for each installment including a 5-day grace period. The amendment establishes a date by which each installment will become delinquent and the remainder of the unpaid portion of the taxes will become due as of the first day of the month after the payment is due. The amendment provides for the City's collection of interest charge of 1% per month or fraction of a month for delinquent amounts. Additionally, penalty charge of 0.5% per month or fraction of a month will be imposed on delinquent amounts and collected by the City Treasurer pursuant to Dane County Ordinance s. 26.41. The opinion of the City Attorney has been that it is unclear whether the City may impose a penalty charge because we lack authority to adopt an ordinance pursuant to Wis. Stat. § 74.47(2). On June 14, 2010, the Dane County Corporation Counsel issued an opinion which indicated that the City must impose penalty charge on delinquent amounts collect on or before July 31 because Dane County has adopted Dane County Ordinance s. 26.41 which imposes a penalty charge on all delinquent general property taxes, special charges, special assessments and special taxes and therefore the City is required to also collect the penalty charge. Based upon the opinion of the Dane County Corporation Counsel, this Substitute includes the penalty. The payment for personal property taxes, special charges, special taxes and special assessments will remain the same due on January 31, including a 5-day grace period. The amendment establishes payment priorities and where each payment shall be made. The ordinance gives the City Treasurer the discretion to implement the ordinance for 2013 tax bills or, if needed for software changes, 2014 tax bills.

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

1. Section 4.07 entitled "Time For Payment of Taxes; Interest; Penalty" of the Madison General Ordinances is amended to read as follows:

**"4.07 TIME FOR PAYMENT OF TAXES; INTEREST; PENALTY.**

(1) All personal property taxes shall be paid on or before January 31. All real estate taxes and special assessments levied pursuant to Wis. Stat. § 62.21 and 66.0701 may be paid in two installments, the first installment to be paid on or before January 31 and the second installment on or before July 31 next succeeding, in accordance with the provisions of Wis. Stat. § 74.11(2)(b).

(2) Overdue or delinquent real estate taxes, personal property taxes and special assessments are subject to an interest charge of one percent per month or fraction of a month.

(3) This Section 4.07, MGO, will only apply to tax bills until the City Treasurer implements the multiple payment option ordinance in revised Sec. 4.07, MGO."

2. Section 4.07 entitled "Time For Payment of Taxes; Interest; Penalty" of the Madison General



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Ordinances is repealed and recreated to read as follows:

**"4.07 MULTIPLE PAYMENT OPTION.**

(1) Intent. The purpose of this Sec. 4.07, MGO is to establish a multiple installment payment option for the payment of real property taxes and personal property taxes for improvements on leased land as authorized by Wis. Stat. § 74.12.

(2) Personal Property Taxes, Special Charges, Special Assessments and Special Taxes. All personal property taxes, except those on improvements on leased land, special charges, special assessments and special taxes shall be paid on or before January 31, to the City Treasurer.

(3) Real Property Taxes. Pursuant to Wis. Stat. § 74.12, all real estate taxes and personal property taxes for improvements on leased land may be paid in one of the following ways to the City Treasurer:

(a) In full on or before January 31.

(b) In the following installments:

1. The first installment due January 31; one-fourth (¼) of the aggregate real property tax levied.
2. The second installment due March 31; one-fourth (¼) of the aggregate real property tax levied.
3. The third installment due May 31; one-fourth (¼) of the aggregate real property tax levied.
4. The fourth installment due July 31: one-fourth (¼) of the aggregate real property tax levied.

(4) Minimum Payment. The minimum payment amount for installments shall be one hundred dollars ($100) and a taxpayer shall pay the minimum installment payment on succeeding installment payment dates until fully paid. If the total real property tax or property tax levied on personal property for improvement on leased land is less than one hundred dollars ($100), the payment shall be made in full on or before January 31.

(5) Delinquent First Installment Payment. If the first installment payment of real property taxes or personal property taxes on leased land is not paid on or before 5 working days after January 31, the entire amount of the remaining unpaid taxes for the parcel is delinquent as of February 1.

(6) Delinquent Second or Subsequent Installment Payment. If the second or subsequent installment payment of real property taxes or personal property taxes on leased land is not paid on or before five (5) working days after the dates specified in subs. (3)(b)2.-4., the entire amount of the remaining unpaid taxes for the parcel is delinquent as of the first day of the month after the payment is due.

(7) Delinquent Annual Payment.

(a) If all special assessments, personal property, except those on improvements on leased land, special charges, and special taxes that are due under sub. (2) are not paid in full on or before five (5) working days after January 31, the unpaid amounts are delinquent as of February 1.

(b) If any special assessments, special charges or special taxes are entered in the tax roll as charges against a parcel of real property and are delinquent, the entire annual amount of real property taxes on that parcel which is unpaid is delinquent as of February 1.

(8) Payment Priority. The allocation of tax payments shall be determined in accordance with Wis. Stat. § 74.12(11).

(9) Interest and Penalties on Delinquent Amounts. Overdue or delinquent real estate taxes, personal property taxes and special assessments, special charges and special taxes are subject to an interest charge of one percent per month or fraction of a month, pursuant to Wis. Stat. § 74.47(1); and penalty charge of one-half of one percent (0.5%) per month or fraction of a month imposed pursuant to Dane County Ordinance s. 26.41 in conformance with Wis. Stat. § 74.47(2).



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(10) Payment of Delinquent Payments and Interest; To Whom Paid.

(a) All real property taxes, special assessments, special charges and special taxes that become delinquent and are paid on or before July 31, and all delinquent personal property taxes, whenever paid shall be paid together with interest and penalties charged from the preceding February 1 to the City Treasurer.

(b) All real property taxes, special assessments, special charges and special taxes that become delinquent and are not paid under par. (a) shall be paid, together with interest and penalties charged from the preceding February 1, to the Dane County Treasurer.

(11) Delinquent Taxes Returned; Collection by County.

(a) The City Treasurer shall retain the tax roll and make collections through July 31. On or before August 15, the City Treasurer shall return the tax roll to the Dane County Treasurer. The Dane County Treasurer shall collect all returned delinquent real property taxes, special assessments, special charges and special taxes, together with interest and penalty assessed from the previous February 1 as provided by Wis. Stat. § 74.47.

(b) The City Treasurer shall forward to the Dane County Treasurer all real property taxes, special assessments, special charges and special taxes received which were not settled for or retained for the taxation district under Wis. Stat. § 74.30.

(12) The City Treasurer may implement this ordinance for 2013 tax bills (mailed in December 2013 and payable in 2013 or 2014) or may, in the Treasurer's discretion, delay implementation for one year and implement the ordinance for 2014 tax bills)mailed in December 2014 and payable in 2014 or 2015). Current ordinances apply until this ordinance is implemented by the City Treasurer."



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