

**\*\*\*ATTACHMENTS\*\*\***

**CITY OF SHEBOYGAN**

**REQUEST FOR FINANCE AND PERSONNEL COMMITTEE CONSIDERATION**

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**ITEM DESCRIPTION:** Gen. Ord. No. 36-17-18 by Alderpersons Donohue and Bohren. An Ordinance creating Section 42-3 of the Municipal Code so as to approve the direct distribution of certain funds to the City by the State of Wisconsin.

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**REPORT PREPARED BY:** Nancy Buss, Finance Director

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**REPORT DATE:** February 7, 2018

**MEETING DATE:** February 12, 2018

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**FISCAL SUMMARY:**

**STATUTORY REFERENCE:**

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

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Wisconsin Statutes: 79.10  
Municipal Code: 42-3

**BACKGROUND / ANALYSIS:**

Within the 2017-19 State Budget (2017 Wisconsin Act 59), the state adjusted a municipality's requirements when requesting property tax credit direct distribution. Currently, 73 municipalities qualify for direct distribution. Starting in 2018, a municipality with property tax credit distributions of \$3 million or more may enact an ordinance to receive direct distribution for the current year and all subsequent years. The municipality must send a copy of the ordinance (by mail or email) to the Wisconsin Departments of Administration and Revenue by February 28, 2018.

**STAFF COMMENTS:**

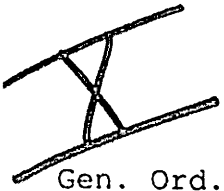
Per Statute 74.10 (7m) (a), the school tax credit is distributed by the State of Wisconsin to Sheboygan County on the 4<sup>th</sup> Monday in July. The county treasurer shall settle for the amounts distributed on the 4<sup>th</sup> Monday in July with each municipality and taxing jurisdiction in the county not later than August 20<sup>th</sup>. The City of Sheboygan's school tax credit is over \$5 million. The ordinance change will allow the city to receive and invest the funds in July.

**ACTION REQUESTED:**

Motion to recommend the Common Council approve Gen. Ord. No. 36-17-18, an Ordinance creating Section 42-3 of the Municipal Code so as to approve the direct distribution of certain funds to the City by the State of Wisconsin.

**ATTACHMENTS:**

- I. Gen. Ord. No. 36-17-18



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Gen. Ord. No. 36 - 17 - 18. By Alderpersons Donohue and Bohren.  
February 5, 2018.

AN ORDINANCE creating Section 42-3 of the Municipal Code so as to approve the direct distribution of certain funds to the City by the State of Wisconsin.

WHEREAS, §79.10 (7m) (cm), Wis. Stats. provides that if, in any year, the total of the amounts of school levy tax credit, lottery and gaming credit, and first dollar credit determined under §§79.10 (4), (5), and (5m), Wis. Stats., for any municipality is \$3,000,000 or more, the municipality, with the approval of the majority of the members of the municipality's governing body, may notify the department of administration to distribute the amounts directly to the municipality and the department of administration shall distribute the amounts at the time and in the manner provided under pars. §§79.10 (7m) (a) 1., (b) 1., and (c) 1, Wis. Stats.; and

WHEREAS, §79.10 (7m) (cm), Wis. Stats. also provides that beginning in 2018, if the municipality approves the distribution under subd. 1. a. thereof by enacting an ordinance and provides a copy of the ordinance to the department of administration and the department of revenue, the department of administration shall distribute the amounts determined under §79.10 (4), (5), and (5m) to the municipality as provided under said subd. 1. a. for the year in which the municipality enacts the ordinance and in all subsequent years until the municipality notifies the department of administration and the department of revenue that the municipality has repealed the ordinance or until the total amounts to be distributed to the municipality in a year is less than \$3,000,000; and

WHEREAS, the total amounts distributed to the City of Sheboygan pursuant to the various provisions of §79.10 has been and will likely continue to be more than \$3,000,000.

THEREFORE, THE COMMON COUNCIL OF THE CITY OF SHEBOYGAN DO ORDAIN AS FOLLOWS:

Section 1. Section 42-3 of the Municipal Code entitled "Direct distribution of various state tax credits" is created so as to read as follows:

"Sec. 42-3. Direct distribution of various state tax credits.

The City of Sheboygan approves the distribution of the amounts determined under §79.10 (4), (5), and (5m), Wis. Stats. directly to the City as provided under §79.10 (7m) (cm) 1. a. beginning in 2018 and in all

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subsequent years until the repeal of this ordinance or such time as the total amounts to be distributed fall below \$3,000,000.

Section 2. The City Clerk is hereby directed to provide a copy of this ordinance to the department of administration and department of revenue.

Section 3. All ordinances or parts thereof in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict, and this ordinance shall be in effect from and after its passage and publication.

*Nicholas Nowlan*  
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*Paul Pugh*  
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I HEREBY CERTIFY that the foregoing Ordinance was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor