



## LEGAL SERVICES DEPARTMENT

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**TO:** Alderperson Kathleen Plank, Chair  
Members of the Finance Committee

**FROM:** Christopher R. Behrens, Deputy City Attorney 

**DATE:** September 17, 2015

**RE:** Proposed Amendment to Ordinance Requiring Payment of Certain Debts Prior to License Being Issued

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Recently some Council members asked this office to review Sec. 9-23(c)(2) of the Municipal Code as it applied to unpaid property taxes of a landlord/property owner causing the issuance of a tenant/business' license to be withheld.

Section 9-23(c) has been an effective tool in making sure that license holders in the City remain current on a variety of obligations by requiring those obligations be paid prior to a license being issued. The one exception to the effectiveness of this section has been situations in which issuance of a tenant license is delayed because the landlord has unpaid real estate taxes.

In the past two years we have encountered a few situations where a property owner has substantial unpaid property taxes owing for the year. Those annual real estate taxes are due to, and collected by the City each year. Under the current form of the ordinance, tenant license holders would not be issued their license until these taxes were paid to the City. However, on or about every August 20<sup>th</sup>, the County assumes responsibility for collection of these real estate taxes and makes the City whole for its portion (that previously went uncollected). To remedy a specific situation in what has otherwise been an effective method for keeping accounts receivable to the City current, the following proposed amendment to 9-23(c) would remove the payment of real estate taxes from the variety of other obligations that must be satisfied prior to the issuance of a license. It should be noted that the other obligations addressed by this section have not created the same issues likely because the amounts due and owing are more manageable and as a result more easily satisfied.

The proposed 9-23(c), as amended, would read as follows:

(c) DELINQUENT DEBTS OWED TO THE CITY. The following are conditions precedent to the issuance of any licenses or permits provided under this code:

...

- (2) The payment of all delinquent and unpaid taxes personal property taxes and room taxes imposed pursuant to Wisconsin Statutes or this code and delinquent and unpaid claims of the City including assessments, special

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*"...meeting community needs...enhancing quality of life."*

Alderson Kathleen Plank, Chair  
Members of the Finance Committee

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charges, municipal utility charges, invoices or judgments relating to the property, or relating to the previously licensed business if the new license or permit is granted conditionally upon, or subsequent to, the sale or transfer of the business or stock in trade or furnishings or equipment of the premises or the sale or transfer of ownership or control of a corporation.

Based on the above, it is recommended that Sec. 9-23(c)(2) be amended with the clarifying language as proposed.