

Resolution #2023-06

Resolution to Accept Interest-free Loan from WI Department of Revenue (DOR) and Decrease 2023 Tax Levy

Whereas, the Department of Revenue (DOR) has verified an error exists in the 2023 Tax Increment District (TID) values for the City of Appleton. The error is a result of values that were unintentionally updated in DOR's valuation system prior to certifying values on August 15, 2023. The impact of this error is greater in the Winnebago County portion of the City due to the relatively small tax base in Winnebago County; and,

Whereas, State law (sec. 70.57 (4)(d) Wis. Stats.) authorizes DOR to issue a zero-interest loan to a taxation district to offset property taxes that would otherwise be imposed resulting from certain errors made by DOR, when the amount of the error is 7.5% or more of the taxation district's prior year equalized value. For the City of Appleton, the impact of the error as a percent of the 2022 equalized value is 13.62% in Winnebago County; and,

Whereas, DOR is proposing an interest-free loan to address the Winnebago County portion of the City of Appleton to be repaid in 2025. If the City of Appleton opts to take the loan payment, the loan amount will be \$60,000; and,

Whereas, DOR explains that the loan process will avoid a fluctuation in tax bills in 2023 and 2024 due to the valuation error and, consequently, taxpayers will be held harmless from the impact of the DOR valuation error.

NOW THEREFORE BE IT RESOLVED, that the Director of Finance be authorized to accept an interest-free loan in the amount of \$60,000 from the DOR to be repaid in 2025 and reduce the 2023 tax levy by \$60,000 to an amount of \$54,700,887.