

CHAPTER 7  
COUNTY SALES AND USE TAX ORDINANCE

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7.01 TITLE. This Ordinance may be cited as the Sheboygan County Sales and Use Tax Ordinance.

7.02 AUTHORITY. This Ordinance is enacted under the authority of Subchapter V of Chapter 77 of the Wisconsin Statutes and acts amendatory thereto.

7.03 DEFINITION. As used in this Chapter, "sales and use tax" includes the excise tax referred to in Wis. Stat. § 77.71.

7.04 PURPOSE OF ORDINANCE. The purpose and goal of enacting this Ordinance is to utilize revenues from the County sales and use tax to reduce the property tax levy.

7.05 COUNTY SALES AND USE TAX. Pursuant to and in strict conformity with the provisions of Wis. Stat. ch. 77, Subchapter V, the County of Sheboygan does hereby elect to impose a County sales and use tax in the manner and to the extent permitted by Wis. Stat. ch. 77, Subchapter V.

7.06 SALES AND USE TAX RATE. The sales and use tax imposed by this Chapter shall be at the rate of one half of one percent (0.5%).

7.07 EARMARKED REVENUES. In order to assure the statutory goal of using sales and use tax revenues to reduce property taxes, as long as Sheboygan County receives revenues from the sales and use tax, all revenues derived therefrom shall be held in a segregated account. From that account, the revenues shall be designated for use for the following two purposes and no other:

- (1) The sum of \$1.5 million in 2017 pursuant to Wis. Stat. § 77.76(3) will be available to be distributed in arrears to each of the cities, villages and towns ("Municipality") within Sheboygan County based on the respective equalized value as adjusted annually, in relation to the total sum to be distributed. The amount to be distributed will be adjusted annually from \$1.5 million based on the percentage that \$1.5 million comprises in relation to the total county sales and use tax revenue received annually after the first full year of revenue collection in 2018. The terms and conditions of the distribution to each Municipality shall be set forth in a standard intergovernmental cooperative agreement between the County and each Municipality. In order to receive the distribution, the Municipality shall agree to be bound by the terms of the intergovernmental cooperative agreement with the County, the terms of which shall be annually reviewed and approved by resolution by the County Board. In the event that the Municipality declines to be so bound, the sums that would otherwise be allocated to that Municipality shall be utilized by the County's Transportation Department. In the event that the Municipality does not act in accordance with the terms of an intergovernmental cooperative agreement, the County Board, in its sole discretion may decline to offer any sums to that Municipality in the following year and the sums that would otherwise have been allocated to that Municipality shall

be utilized by the County's Transportation Department.

- (2) The balance shall be assigned as revenue to the Transportation Department in its annual budget, for its use for maintaining and improving our transportation system and capital equipment.
- 7.08 HIGHWAY CAPITAL BORROWING. In consideration of receiving the sales and use tax revenues, no annual budget of the Transportation Department shall include bonding capital projects or capital equipment related to road and bridge repairs, maintenance, or road and bridge reconstruction unless authorized by the County Board.
- 7.09 REPORTS FROM FINANCE DIRECTOR.
- (1) The Finance Director shall provide to the Finance Committee a report of all revenue received through the imposition of the sales and use tax since the previous reporting period. This report shall be given on a monthly basis or within thirty (30) days of such time as the Finance Director receives the information from the WI Department of Revenue.
  - (2) The Finance Director shall provide a report to the Finance Committee no later than July 31 of each year analyzing the revenues derived hereunder.
  - (3) After providing the report as described in (2) above and after consulting with the Finance Committee and the County Administrator, the Finance Director or County Administrator shall provide a similar report to the County Board at each August County Board meeting.
- 7.10 SEVEN-YEAR REVIEW. After January 1, 2024, at which time the sales and use tax will have been in place for seven (7) years, the County Administrator, together with the Finance Director and the Transportation Director, shall prepare a report of the County Board as to the amount of revenue received through the tax since its inception, the amount of debt service reduction realized since its inception, the impact that the tax revenue has had on the stated goal to maintain the County transportation system, the projected future transportation infrastructure needs after 2024, and such other aspects as may be deemed relevant. The report shall contain a recommendation as to whether this Chapter shall be continued and be presented to the County Board no later than June 1, 2024, so that the Board may act on the report's recommendations as it determines may be appropriate for implementation prior to the enactment of the budget for 2025.
- 7.11 CONFORMITY TO STATE LAWS. It is the express intent of the County of Sheboygan that the construction, administration, and application of this Ordinance to all persons in all situations shall conform to the laws of the State of Wisconsin in all ways and it shall be so construed, applied, and administered.
- 7.12 EFFECTIVE DATE. This Ordinance shall become effective as of the first day of January 2017 in the manner provided for by law.