

CHAPTER VI. BUDGET, FINANCE AND TAXATION

FISCAL YEAR

Section 6.1 The fiscal year of the city and of all its agencies shall begin on the first (1st) day of July of each year and end on the thirtieth (30th) day of June of the following year.

DEPARTMENTAL BUDGET

Section 6.2 Each board, commission, officer and department head shall submit his recommended budget with supporting explanation for the next fiscal year to the budget officer on or before April 1 of each year.

(Amendment adopted by electorate 11-6-01)

BUDGET REQUIREMENTS

Section 6.3 The Budget Officer shall prepare and submit to the Council, on or before the first regular meeting in May of each year, a budget document covering the next fiscal year tabulating the recommendations of the several department heads and officials, and shall include therein at least the following information:

6.3:1 Detailed estimates, with supporting explanations, of all proposed expenditures for each department and office of the city, together with the expenditures for corresponding items for the last preceding fiscal year in full and for the current fiscal year to March 31 and estimated expenditures for the balance of the current fiscal year.

6.3:2 Statements of the bonded and other indebtedness of the city, showing the debt redemption and interest requirements, the debt authorized and unissued and the condition of sinking funds, if any.

6.3:3 Detailed estimates of all anticipated revenues of the city from sources other than taxes, with a comparative statement of the amounts received by the city from each of the same or similar sources for the last preceding fiscal year in full and for the current fiscal year to March 31 and estimated revenues for the balance of the current fiscal year.

6.3:4 A statement of the estimated balance or deficit for the end of the current fiscal year.

6.3:5 An estimate of the amount of money to be raised from current and delinquent taxes and the amount to be raised from bond issues which, together with any available unappropriated surplus and any revenues from other sources, will be necessary to meet the proposed expenditures.

6.3:6 Such other supporting schedules as the Council may request.
(Amendment adopted by electorate 11-6-01)

BUDGET - PUBLIC HEARING

Section 6.4 Not later than the first regular meeting in June, the City Council shall hold a public hearing on the proposed budget. Notice of such public hearing shall be published at least one (1) week in advance by the City Clerk. A copy of the proposed budget shall be on file and available to the public for inspection during office hours at the office of the City Clerk for a period of not less than one (1) week prior to such public hearing.
(Amendment adopted by electorate 11-6-01)

BUDGET - ADOPTION

Section 6.5 Not later than the second regular meeting in June, the Council shall, by resolution, adopt the budget for the next fiscal year and shall, in such resolution, make an appropriation for the money needed for municipal purposes during the ensuing fiscal year of the city and provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes, including the amount necessary to pay principal and interest on existing general obligation bonds, which levy shall not exceed two (2) per cent of the assessed valuation of all real and personal property subject to taxation in the city.
(Amendment adopted by electorate 11-6-01)

EXPENDITURES - RESTRICTIONS

Section 6.6 Except for purposes which are to be financed by the issuance of bonds, special assessment, or other method not requiring a budget appropriation, no money shall be drawn from the

treasury of the city without an appropriation thereof, nor shall any obligation for the expenditure of money be incurred without an appropriation covering all payments which will be due under such obligation in the current fiscal year. The Council may transfer any unencumbered appropriation, balance, or any portion thereof, from one department, fund or agency to another, except that no unencumbered appropriation for street lighting and purposes other than operating expenses shall be transferred to defray operating expenses. In the case of emergency arising from a pressing need other than a regular or recurring requirement and necessary to protect the public health, welfare or safety, the Council may make additional appropriations to cover unanticipated expenditures required of the

city because of such emergency. The balance in any appropriation which has not been encumbered at the end of the fiscal year shall revert to the fund from which it was originally appropriated.

At the beginning of each quarterly period during the fiscal year, and more often if required by the Council, the officer responsible for maintenance of the city accounting system shall submit to the Council data showing the relation between the estimated and actual revenues and expenditures to date; and if it shall appear that the revenues are less than anticipated, the Council may reduce appropriations, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the revenues.

DEPOSITORIES

Section 6.7 The Council shall designate the depository or depositories for city funds, and shall provide for the regular deposit of all city monies. The Council shall provide for such security for city deposits as is authorized or permitted by the general laws of the state, except that personal surety bonds shall not be deemed proper security.

INDEPENDENT AUDIT AND ANNUAL REPORT

Section 6.8 An independent audit shall be made of all city accounts at least annually, and more frequently if deemed necessary by the Council. Such audit shall be made by Certified Public Accountants experienced in municipal accounting selected by the Council.

The Budget Officer shall prepare an annual report of the affairs of the city including a financial report. Copies of such audit and annual report shall be made available for public inspection at the office of the City Clerk within thirty (30) days after receipt of the audit.

TAX RATE LIMITATION

Section 6.9 The City shall have the power to assess taxes and to levy and collect rents, tolls and excises. Exclusive of any levies authorized by statute to be made beyond charter tax rate limitations, the per annum ad valorem tax levy shall not exceed 1/2 of 1% for operating purposes and shall not exceed 1/2 of 1% for street lighting and purposes other than operating expenses, levied on the assessed valuation of all real and personal property subject to taxation. In addition to any tax authorized by this Charter, the City may, commencing with the fiscal year 1976-1977, levy a tax not exceeding one-tenth of one per cent of the assessed valuation of all real and personal property in the City for general public transportation purposes.
(Amendment adopted by electorate 6-14-76)

PROPERTY SUBJECT TO TAX

Section 6.10 The subjects of ad valorem taxation for municipal purposes shall be the same as for

state, county and school purposes under the general law. Except as otherwise provided by this charter, city taxes shall be levied, collected and returned in the manner provided by statute.

EXEMPTIONS

Section 6.11 No exemptions from taxation shall be allowed except as expressly required or permitted by law.

TAX STATUS

Section 6.12 Subject to the exceptions provided or permitted by law, the taxable status of persons and property shall be the same as for state, county, and school purposes under the general law.

ASSESSMENT ROLL

Section 6.13 On or before the first (1st) Monday in March in each year the Assessor shall prepare and certify an assessment roll of all property in the city liable to taxation. Such roll shall be prepared in accordance with statute and this charter. Values shall be estimated according to recognized methods of systematic assessment. On or before the first (1st) Monday in March the Assessor shall give by first class mail a notice of any increase, when compared with the previous year, in the assessed value of any property which exceeds five per cent (5%) or of the addition of any property to the roll to the owner as shown by such assessment roll. Failure to give any such notice or of the owner to receive it shall not invalidate any assessment roll or assessment thereon.

BOARD OF REVIEW

Section 6.14 The Board of Review shall consist of three (3) members, one of whom shall be a councilman appointed by the council for a term of one (1) year commencing on January second (2) of each year and two (2) taxpayers to the city who shall also meet the eligibility requirements for election as a member of the City Council and who during their term of office shall not be a city officer or employee or be a nominee or candidate for election for a city office. Of the members first appointed, the Council shall appoint one for a term of two (2) years commencing on January second (2) of the year following the year in which this charter becomes effective and one for a term of four (4) years commencing on January second (2) of the year following the year in which this charter becomes effective; thereafter, the Council shall appoint one member for a four (4) year term as each of the initial terms expire. The Council shall fix the compensation of the members of the Board of Review and the member of the Board of Review who is also a councilman shall be entitled to the same compensation as the taxpayer members of the Board of Review, which compensation shall be in addition to his compensation as councilman of the city. At the first meeting of the Board of Review, the Board of Review shall elect one of its members as chairman and the City Assessor shall be clerk of the board of Review, and as such, be entitled to be heard at its sessions, but without vote. A majority of the Board of Review shall constitute a quorum.

BOARD OF REVIEW - POWERS

Section 6.15 For the purpose of revising and correcting assessments, the Board of Review shall have the same powers and perform like duties, in all respects, as are, by law, conferred upon and required of boards of review in townships, except as otherwise provided in this charter.

BOARD OF REVIEW - MEETINGS

Section 6.16 The Board of Review shall convene at its first session on the second (2nd) Monday of March of each year and hold a second session the second (2nd) Tuesday of March of each year at such time of day and place as shall be designated by the Council and shall remain in session for at least eight (8) hours divided between the two (2) such sessions, two hours of which shall be from the hours of 7:30 o'clock in the evening until 9:30 o'clock in the evening at either session for the purpose of considering and correcting the roll.

In each case where the assessed value of any property is increased or any property is added to the roll by the Board, the City Assessor shall give notice thereof to the owners as shown by such roll by letter mailed first class not later than the day following the end of the session of the Board at which the change is made. Such notice shall state the time, date and place at which the Board of Review will hear objections to the changes made by the Board of Review. The failure to give any such notice or of the owner to receive it shall not invalidate any assessment roll or assessment thereon.

The Board of Review shall continue in session from time to time until all interested persons shall have an opportunity to be heard. The Board of Review may not increase any assessment or add any property to the rolls unless it shall give notice as aforesaid and afford the taxpayer an opportunity to be heard in protest thereof.

BOARD OF REVIEW - NOTICE OF MEETINGS

Section 6.17 Notice of the time and place of the sessions of the Board of Review shall be published by the City Clerk at least ten (10) days prior to each session of the Board. The Council may by resolution require that additional notice of the meetings of the Board of Review be given.

BOARD OF REVIEW - ENDORSEMENT OF ROLL

Section 6.18 After the Board of Review has completed its review of the assessment roll, and not later than the first (1st) Monday in April, the majority of its members shall endorse thereon and sign a statement to the effect that the same is the assessment roll of the city for the year in which it has been prepared. The omission of such endorsement shall not affect the validity of such roll.

Cross-reference:

Alternate members of the Board of Review, see § 32.50

CERTIFICATION OF TAX LEVY

Section 6.19 Within three (3) days after the Council has adopted the budget for the ensuing year, the City Clerk shall certify to the City Assessor the total amount which the Council determines shall be raised by general ad valorem tax. He shall also certify all amounts of current or delinquent special assessments and all other amounts which the Council requires to be assessed, reassessed, or charged upon the said roll against any property or any person in accordance with the provisions of this charter or any ordinance of the city.

CITY TAX ROLL

Section 6.20 After the Board of Review has completed its review of the assessment roll, the City Assessor shall prepare a copy of the assessment roll to be known as the "City Tax Roll" and upon receiving the certification of the several amounts to be raised, as provided in Section 6.19, the City Assessor shall spread upon said tax roll the several amounts determined by the Council to be charged, assessed, or reassessed against persons or property. He shall also spread thereon the amounts of the general ad valorem city tax according to and in proportion to the several valuations set forth in said assessment roll. To avoid fractions in computation of any tax roll, the City Assessor may add to the amount of the several taxes to be raised not more than the amount prescribed by law. Any excess created thereby on any tax roll shall belong to the city.

TAX LIEN

Section 6.21 On July first (1st) the taxes thus assessed shall become a debt due to the city from the persons to whom they are assessed, and the amounts assessed on any interest in real property shall become a lien upon such real property, for such amounts and for all interest and charges thereon, and all personal taxes shall become a first lien on all personal property of such persons so assessed. Such lien shall take precedence over all other claims, encumbrances and liens to the extent provided by statute and shall continue until such taxes, interest and charges are paid.

TAX WARRANT

Section 6.22 After spreading the taxes the City Assessor shall certify the tax roll, and the Mayor shall annex his warrant thereto directing and requiring the City Treasurer to collect, prior to March first (1st) of the following year, from the several persons named in said roll the several sums mentioned therein opposite their respective names as a tax or assessment and granting to him, for the purpose of collecting the taxes, assessments and charges on such roll, all the statutory powers and immunities possessed by the township treasurers for the collection of taxes. On or before June first (1st) the roll shall be delivered to the City Treasurer for collection.

CITY TAXES - COLLECTION AND PENALTIES

Section 6.23 City taxes shall be due on July first (1st) of each year. The City Treasurer shall not be required to call upon the persons named in the city tax roll, nor to make personal demand for the payment of taxes, but he shall:

6.23:1 Publish, between June fifteenth (15th) and July first (1st), notice of the time when said taxes will be due for collection and of the penalties and fees for the late payment thereof.

6.23:2 Mail a tax bill between June fifteenth (15th) and July first (1st) of each year to each person named in said roll. In cases of multiple ownership of property only one bill need be mailed.

Failure on the part of the City Treasurer to publish said notice or mail such bills shall not invalidate the taxes on said tax roll nor release the person or property assessed from the penalties and fees provided in this charter in case of late payment or nonpayment of the same.

All taxes paid on or before the thirty first (31st) day of August shall be collected by the City Treasurer without additional charge. On the first (1st) day of September the City Treasurer shall add to all taxes paid thereafter a collection charge of three per cent (3%) of the amount of said taxes and on the first day of each succeeding month he shall add an additional one per cent (1%) of said taxes for each of said months or fraction thereof that said taxes remain unpaid. Such collection charges shall not exceed six per cent (6%) and shall belong to the city and constitute a charge and shall be a lien against the property to which the taxes apply, collectible in the same manner as the taxes to which they are added. If delivery of the tax roll to the City Treasurer, as provided in Section 6.22, is delayed for any reason by more than thirty (30) days after June first (1st) or if the mailing of the tax bills are delayed for more than fifteen (15) days after July first (1st), the application of the collection charge provided herein shall be postponed thirty (30) days for each thirty (30) days or major fraction thereof of such delay.

TAX COLLECTION - PERSONAL PROPERTY

Section 6.24 If any person, firm or corporation shall neglect or refuse to pay any personal property tax assessed to him or them, the City Treasurer shall collect the same by seizing the personal property of such person, firm or corporation to an amount sufficient to pay such tax, fees and charges for subsequent sale, wherever the same may be found in the state, and from which seizure no property shall be exempt. He may sell the property seized to an amount sufficient to pay the taxes and all charges in accordance with statutory provisions. The City Treasurer may, if otherwise unable to collect a tax on personal property, sue, in accordance with statute, the person, firm or corporation to whom it is assessed.

TAX ROLL - RETURN TO COUNTY TREASURER

Section 6.25 All city taxes on real property remaining uncollected by the City Treasurer on the first (1st) day of March following the date when said roll was received by him shall be returned to the

County Treasurer in the manner and with like effect as provided by statute for returns by township treasurers of township, school and county taxes. Such returns shall include all the additional assessments, charges and fees hereinbefore provided, which shall be added to the amount assessed in said tax roll against each property or person. The taxes thus returned shall be collected in the same manner as other taxes returned to the County Treasurer are collected, in accordance with statute, and shall be and remain a lien upon the property against which they are assessed until paid. If by change in statute or otherwise, the Treasurer of the County of Ottawa is no longer charged with the collection of delinquent real property taxes, such delinquent taxes shall be collected in the manner then provided by statute for the collection of delinquent township, school and county taxes.

TAXES - COUNTY AND SCHOOL - COLLECTION

Section 6.26 For the purpose of assessing and collecting taxes for state, county and school purposes, the city shall be considered the same as a township, and all provisions of law relative to the collection of and accounting for such taxes shall apply. For these purposes the City Treasurer shall perform the same duties and have the same powers as are granted and imposed upon township treasurers by law.

CITY TAXES - PROTECTION OF

Section 6.27 The city shall have the power to acquire by purchase any premises within the city at any tax or other public sale, or by direct purchase from the State of Michigan or the fee owner, when such purchase is necessary to protect the lien of the city for taxes or special assessments, or both, on said premises and may hold, lease or sell the same for the purpose of securing therefrom the amount of such taxes or special assessments, or both, together with any incidental expenses incurred in connection with the exercise of this power. Any such procedure exercised by the city in the protection of its tax lien shall be deemed to be for a public purpose.