



Legislation Text

File #: 060605, Version: 0

060605
ORIGINAL
941402
THE CHAIR

An ordinance relating to interest payments on special assessments.

115-42-8-b-3 am

Currently the code provides that the interest rate charged on special assessments is defined as the average prime rates of Firststar, M & I and Bank One banks. Firststar and Bank One have been bought out by other banks, therefore making the code outdated. This ordinance changes the definition of the prime rate to the Wall Street Journal prime rate which is published in the Wall Street Journal. That prime rate is determined by polling 30 of America's largest banks; when 23 of the 30 have changed their prime lending rate, the Wall Street Journal responds by updating its published prime rate. It should also be noted that 2 of the 3 banks or their successors currently referenced in the code use the Wall Street Journal prime rate as their prime rate.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 115-42-8-b-3 of the code is amended to read:

115-42. Special Assessment Procedure.

8. PAYMENT TERMS.

b-3. In addition to the principal remaining, interest shall be added commencing after the billing date of the invoice. A 45-day grace period for payment shall be granted from the date of billing, and if not paid within the period, interest shall be charged on a retroactive basis to the date of the billing. The interest rate charged shall be set annually as of the last business day in June as an approximation of the prime rate plus 1%. For the purpose of this subdivision, the prime rate shall be defined as the [~~average of the prime rates of Firststar, M & I and Bank One banks~~] >> Wall Street Journal prime rate which is published in the Wall Street Journal<<. The monthly rate of interest shall be computed by dividing such average prime rate plus 1% by 12 rounded to the nearest 100th percent. The comptroller shall review such interest rate annually and shall notify the department of public works of such interest rate. The interest rate shall become effective as of the public hearing date in September at which annual assessment rate changes are submitted to the appropriate committee of the common council as prescribed by s. 115-43. The interest rate in effect at the time of the public hearing held by the appropriate common council committee for an individual project shall be fixed for the 6-year duration of the installment payments.

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Comptroller

LRB06448-1

BJZ/cca

8/8/2006