CITY OF STOUGHTON, 207 S FORREST STREET, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL

Resolution authorizing City staff to forego the small claims process related to the amounts owed by BUD-MAR LLP and BEEANDBEE Investment Company LLP and write off the remaining balance of $5,344.22

Committee Action:

Fiscal Impact: $5,344 is owed to the City of Stoughton.

File Number: R - - 2021	**Date Introduced:** March 9, 2021

WHEREAS, the City of Stoughton entered into an annexation agreement with BUD-MAR LLP and BEEANDBEE Investment Company LLP; and

WHEREAS, said agreement required BUD-MAR LLP and BEEANDBEE Investment Company LLP to reimburse the City of Stoughton for taxes the city is required by law to pay the Town of Rutland within 30 days of request; and

WHEREAS, the City of Stoughton paid $3,769.11 and $1,575.11 to the Town of Rutland for taxes payable in 2020 for BUD-MAR LLP and BEEANDBEE Investment Company LLP's properties; and

WHEREAS, BUD-MAR LLP and BEEANDBEE Investment Company LLP were invoiced by the city for the town taxes on February 7, 2020; and

WHEREAS, BUD-MAR LLP and BEEANDBEE Investment Company LLP have not paid the invoices despite requests by city staff to do so in August 2020; and

WHEREAS, the City of Stoughton Common Council of the City of Stoughton authorized city staff to pursue a small claims lawsuit against BUD-MAR LLP for $3,769.11 plus other costs permitted by law and BEEANDBEE Investment Company LLP for $1,575.11 plus other costs permitted by law; and

WHEREAS, following continued collection efforts it has been noted that both BUD-MAR LLP and BEEANDBEE Investment Company LLP have dissolved; and

WHEREAS, City staff believe the cost to litigate the matter is likely to exceed any amounts recovered from the suit.

BE IT RESOLVED that the City of Stoughton Common Council authorizes City staff to forego the small claims process related to the amounts owed by BUD-MAR LLP and BEEANDBEE Investment Company LLP and write off the remaining balance of $5,344.22.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

CITY OF STOUGHTON
FINANCE DEPARTMENT
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Date: February 16, 2021

To: Finance Committee

From: Ryan Wiesen
Assistant Director of Finance

Subject: Unpaid Town Taxes

In 2020, the city council approved a small claims lawsuit against BUD-MAR LLP for $3,769.11 and BEEANDBEE Investment Company LLP for $1,575.11 related to unpaid town tax obligations arising from a development agreement with the two companies. It was hoped upon noticing the companies; the two companies would voluntarily pay the taxes as happened in 2019.

The city did not receive payment from the companies as of today's date. I did a bit of research into the companies and discovered that BUDMAR was dissolved on December 18, 2018 and that BEEANDBEE was administratively dissolved by the State of Wisconsin on January 30, 2021.

Based upon a brief conversation with the city attorney, in light of the new information on the status of the LLPs and the fact that 2020 was the last year the taxes were due, the cost to litigate the matter is highly likely to exceed any value recovered from the suit. Therefore, it is my recommendation that that the town tax receivables from BUD-MAR LLP for $3,769.11 and BEEANDBEE Investment Company LLP for $1,575.11 be written off as a loss.