

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

<b>LRB #</b> 99- 4700/1
<b>INTRODUCTION #</b> AB 871
<b>Admin. Rule #</b>

**Subject**  
 Assignment of Right to Judgement in Tax Foreclosure Action

**Fiscal Effect**

**State:**  No State Fiscal Effect  
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

<input type="checkbox"/> Increase Existing Appropriation	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be Possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Existing Appropriation	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriation	<input type="checkbox"/> Decrease Costs	

**Local:**  No Local Government Costs

1. <input checked="" type="checkbox"/> Increase Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>City of Milwaukee</u> <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input checked="" type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	<b>Affected Ch. 20 Appropriations</b>
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**Assumptions Used in Arriving at Fiscal Estimate:**

Under current law, when a county elects to foreclose tax liens by action in rem under s. 75.521, Stats., the county files with circuit court a list of all parcels of property affected by unpaid tax liens. In most cases, the court enters a judgement which grants the county ownership of the property. However, many counties are hesitant to assume liability for a parcel of contaminated property, so they ask the court to hold judgement on those properties. As a result, those properties stay delinquent and unused.

The bill provides a mechanism for contaminated properties to be returned to taxpaying use while at the same time allowing the county to avoid being in the chain of title. Under the bill, a county may assign to an individual its right to judgment with respect to a parcel that is subject to the county's foreclosure action under the following conditions: 1) the parcel is a brownfield, 2) there is an environmental assessment of the parcel with results provided to the Department of Natural Resources (DNR), and 3) if the assignee elects to accept the judgement, he or she will enter into an agreement with DNR to remediate, maintain and monitor the parcel according to DNR rules. In addition, the municipality in which the parcel is located must be notified of and agree to the assignment.


If the assignee elects to accept the judgment, the court will grant him or her ownership of the parcel.

The costs associated with foreclosure include title searches, mailed notice to owners and lienholders, Class 3 notices to the public, and legal counsel. To the extent that these costs are already incurred by the county prior to the assignment, the bill will not significantly increase foreclosure costs. Additional legal counsel may be required to produce or review the assignment agreement.

It is expected that the required environmental assessment will be the responsibility of the assignee.

(continued on page two)

**Long-Range Fiscal Implications:**

<b>Agency/Prepared by: (Name &amp; Phone No.)</b> Wisconsin Department of Revenue Rebecca Boldt, 266-6785	<b>Authorized Signature/Telephone No.</b> Yeang-Eng Braun (608) 266-2700 	<b>Date</b> 3/14/00
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For every property that is returned to taxpaying status as a result of the assignment, county costs associated with settling for the delinquent property taxes of the parcel will be reduced. To the extent that subsequent clean up and development of the parcel increase the parcel's assessed value, the tax base of the taxing jurisdictions in which the parcel is located is expanded relative to what would have resulted had the parcel remained contaminated and delinquent.

The bill will have no fiscal effect on the department of revenue.

YEB 3/14/00

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

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**I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>TOTAL State Costs by Category</b>	\$	\$ -
<b>B. State Costs by Source of Funds</b>		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	\$	\$ -

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$ _____	\$ See text of fiscal note.
NET CHANGE IN REVENUES	\$ _____	\$ _____

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
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