

Assembly Hearing Slip

(please print plainly)

Date: 11.28.01

Bill No. AB 599

Or Subject \_\_\_\_\_

Name David Krahn

Street Address or Route Number Rm 170 515 W. Maryland Blvd

City, State, ZIP Code Waukesha WI 53185

E-Mail Address dkrahn@waukeshacounty.gov

Organization You Represent Waukesha County

Speaking In Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by: Assembly Sergeant at Arms <http://www.assemblysergeant.com>

Assembly Hearing Slip

(please print plainly)

Date: 11.28.01

Bill No. AB 599

Or Subject \_\_\_\_\_

Name Mike Serpe

Street Address or Route Number Courthouse

City, State, ZIP Code Kenosha

E-Mail Address \_\_\_\_\_

Organization You Represent Kenosha County

Speaking In Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

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Assembly Hearing Slip

(please print plainly)

Date: 11-28-01

Bill No. AB 599

Or Subject \_\_\_\_\_

Name Senator Alberta Darling

Street Address or Route Number \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

E-Mail Address \_\_\_\_\_

Organization You Represent 8th Senate District

Speaking In Favor:	<input type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

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# Assembly Hearing Slip

(please print plainly)

Date: 11-28-01

Bill No. AB 599

Or  
Subject \_\_\_\_\_

Name PAM REEVES

Street Address or Route Number 1320 PENNAUKEE RD

City, State, ZIP Code WAUKESHA, WI 53188

E-Mail Address REEVES@WAUKESHACOUNTY,

Organization You Represent WAUKESHA COUNTY GOV

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input checked="" type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

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Provided by:  
Assembly Sergeant at Arms  
<http://www.assemblysergeant.com>

# Assembly Hearing Slip

(please print plainly)

Date: 11/28/01

Bill No. AB 599

Or  
Subject \_\_\_\_\_

Name KESLIE WILLIAMS

Street Address or Route Number 1320 PENNAUKEE RD. 260

City, State, ZIP Code WAUKESHA, WI 53188

E-Mail Address lwilliams@waukeshacounty,

Organization You Represent Waukesha County

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:  
Assembly Sergeant at Arms  
<http://www.assemblysergeant.com>

# Assembly Hearing Slip

(please print plainly)

Date: 11-28-01

Bill No. AB 599

Or  
Subject \_\_\_\_\_

Name REP. SCOTT GUNDERSON

Street Address or Route Number \_\_\_\_\_

City, State, ZIP Code \_\_\_\_\_

E-Mail Address \_\_\_\_\_

Organization You Represent 83rd Assembly Dist.

Speaking in Favor:	<input checked="" type="checkbox"/>
Speaking Against:	<input type="checkbox"/>
Registering in Favor:	<input type="checkbox"/>
Registering Against:	<input type="checkbox"/>
Speaking for Information Only, neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the hearing.

Provided by:  
Assembly Sergeant at Arms  
<http://www.assemblysergeant.com>

If county does not accept highest bid, reasons must be given as to why.

AB 599

A prec city use to sell tax del real prop.  
CL → must rej unless bid over app value

Att

Count accept bid below appraised value if meet:

- ① Re-advertise
- ② rev d approve sale by city finance committee  
↳ cozy deal

---

Sykora → small rural city try don't have the necessary expertise to appraise value. → 1<sup>st</sup> time price down 2<sup>nd</sup> time

---

Olsen → must go thru bid process twice.

---

M-T → reasoning for lower bid.

AB 534

Law does not allow sale of  
propert below appraised value.  
by city.

535 The city may not sell  
prop below appraised value on  
first attempt. Subsequent

attempts to sell prop would  
allow city to accept the  
most advantageous bid to  
the county, including a bid  
under appraised value. Milwaukee  
city is currently exempt from  
current law.

↳ Amend to put a time limit  
1/4 which the prop can be  
sold under appraised value.

What would happen if prop  
sold for value less than  
liens against prop?

↳ Amend to require re-advertising  
of the prop.

Ways & Means Committee  
Preliminary Report on Referred Legislation  
January 29, 2002

Bill: **AB 599**  
Author: **Rep. Gunderson**  
Date Referred: **10-29-2001**  
Public Hearing: **11-28-2001**  
Executive Session: **1-30-2002**

Relating Clause: **relating to the sale of tax delinquent real property.**

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**Comments from Department of Revenue-**  
No comment/position.

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**Comments from the Author-**

Author's reasoning for introducing legislation:  
**comments.**

Author's intent:  
**To allow the sale of county owned land that is unable to be sold at its appraised value.**

Does the Author want the legislation moved forward?

Yes     No

If no, do we have this in writing?

Yes     No

Is the legislation in its final form?

Yes     No

If major changes are required, the author shall prepare and introduce the necessary amendments.

---

**Notes-**

The bill does not allow for the sale of the property below the appraised value on the first attempt.

Due to concerns raised by committee members, an amendment will be drafted by the author. Changes in the amendment include re-advertising the property prior to the county being able to accept below appraisal bids. Also, any below appraisal bid is submitted, the bid must be reviewed by the county finance committee prior to acceptance.

# Assembly Committee on Ways and Means

DATE \_\_\_\_\_  
 Moved by Wood Seconded by Starzyk  
 AB 599 SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_  
 A \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt 1 \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

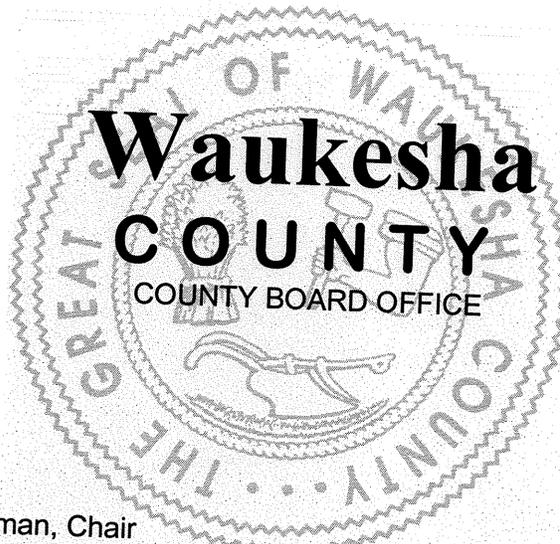
- |  |  |
|--|--|
| <input type="checkbox"/> Passage             | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction        | <input type="checkbox"/> Tabling                 |
| <input checked="" type="checkbox"/> Adoption | <input type="checkbox"/> Concurrence             |
| <input type="checkbox"/> Rejection           | <input type="checkbox"/> Nonconcurrence          |

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz	3			
4.	Rep. Frank Lasee				
5.	Rep. Samantha Starzyk	4			
6.	Rep. Tom Sykora	5			
7.	Rep. Carol Owens	6			
8.	Rep. Luther Olsen	7			
9.	Rep. Wayne Wood	8			
10.	Rep. Bob Ziegelbauer	9			
11.	Rep. Johnie Morris-Tatum	10			
12.	Rep. Mark Pocan	11			
13.	Rep. Bob Turner	12			
Totals		12	0		

s:\comclerk\rollcall.1      MOTION CARRIED       MOTION FAILED



James T. Dwyer  
County Board Chairman



November 28, 2001

TO: Representative Michael Lehman, Chair  
Members of the Assembly Ways & Means Committee

FR: Dave Krahn  
Legislative Policy Advisor

RE: **ASSEMBLY BILL 599 – Sale of Tax Delinquent Property**

Every year the County takes title to a group of properties. Some are improved lots, some cannot be developed for one reason or another, some have environmental concerns, and some are small slivers of little use to anyone. The requirement to sell these "left over" properties at appraised value is a real constraint.

Example: a vacant lot in the Village of Menomonee Falls. It is the center of a stormwater drainage pattern for the homes around it and unsuitable for building. The property was appraised at \$16,700. It did not sell at auction. The County cleaned up the debris. A few adjacent property owners have shown interest but they don't want to pay \$16,700 for additional yard space. Menomonee Falls has no interest in the upkeep or final disposition of the property because they have been made whole for their portion of the tax lien. It would relieve the County of several headaches if a neighbor would buy it, mow it, and pay some taxes on it.

Example: property in the City of Pewaukee. Formerly a gas station, it is a DNR Leaking Underground Storage Tank clean up site. It was appraised at \$70,000, and has been on the Delinquent Property Inventory for several years. We had two interested parties willing to take on the clean up and develop the property but were unwilling to pay the appraised value. Again, the local municipality has little incentive to enter the process. They could buy the property for back taxes then sell it at cost plus some mark-up to the developer. They have no stake since the county has paid their tax lien.

The intent of AB 599 is to make it easier for counties that have acquired properties by tax deed or foreclosure to sell properties that are not marketable at appraised value. Current law does not permit sale for less than appraised value. Ease of sale allows these properties to get back on the tax rolls (they are tax exempt as long as the county is the owner) and allows the county to wholly or at least partially recoup the money invested due to settlement with the municipalities and other taxing jurisdictions.

AB 599 is thankfully a piece of legislation that would not cost state monies, but would most certainly be beneficial to counties, and would directly benefit the property taxpayer.

Your support of Assembly Bill 599 would be most appreciated.

Thank you.

515 West Moreland Boulevard • Room 170  
Waukesha, Wisconsin 53188  
Phone: (262) 548-7002 • Fax: (262) 548-7005  
[www.waukeshacounty.gov](http://www.waukeshacounty.gov)

# Scott Gunderson



STATE REPRESENTATIVE • 83RD DISTRICT

**State Capitol**  
P.O. Box 8952  
Madison, WI 53707  
(608) 266-3363

Toll-Free:  
(888) 534-0083

Fax:  
(608) 282-3683

E-Mail:  
Rep.Gunderson@  
legis.state.wi.us

**83rd District:**

P.O. Box 7  
Waterford, WI  
53185

(262) 895-6254

## MEMO

**Date:** November 29, 2001  
**From:** State Rep. Scott Gunderson  
**To:** Assembly Ways and Means Committee Members  
**Re:** Substitute Amendment to AB 599

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During the Public Hearing on Assembly Bill 599, committee members raised a number of questions that I felt should be addressed. After consultation with Legislative Council and Chairman Lehman, I believe we have drafted a Substitute Amendment, which addresses the concerns of the committee members.

First, we included Representative Wood's suggestion that counties should re-advertise any property, which did not sell on the first attempt, before the county is allowed to sell the property below the appraised value. Second, to address any problems, similar to those raised by Representative Morris-Tatum, the substitute amendment requires any sale of property below the appraised value to be reviewed and approved by the county finance committee. I believe this provision will offer county residents the accountability that committee members wanted. The county finance committee will address the sale during a noticed public meeting, and any information the county finance committee has on the sale will be subject to open records requests.

It is my hope that this substitute amendment adequately addresses the committee's concerns. If you should have any further questions, comments, or concerns on AB 599 or the substitute amendment, please do not hesitate to call myself or Mike in my office.



Michael (Mickey)  
**Lehman**

State Representative  
58th Assembly District

Committee Chair: Ways and Means

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## Memorandum

To: Members, Assembly Ways and Means Committee  
From: Rep. Mickey Lehman  
Date: December 5<sup>th</sup>, 2001  
Re: Amendment for AB 599

Attached please find a copy of Assembly Substitute Amendment LRB s0251/1 to AB 599 along with an explanatory memo from Rep. Scott Gunderson, the author. Rep. Gunderson drafted this amendment in order to address concerns raised by committee members regarding AB 599.

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Office: P.O. Box 8952 • Madison, WI 53708-8952 • (608) 267-2367 • Toll-free: (888) 534-0058 • Fax: (608) 282-3658 • Rep.Lehman@legis.state.wi.us  
Home: 1317 Honeysuckle Road, Hartford, WI 53027 • (262) 673-3967

58th District Includes - CITIES: Cedarburg, Hartford and West Bend (Wards 23-29, 34-38, 40, 41, 43-47, 49, 51-53); VILLAGES: Jackson, Neosho and Slinger;  
TOWNS: Addison, Cedarburg (Wards 1,2,3,6, and 7), Hartford, Jackson, Polk (Wards 1, 2, 3, 4, 5 and 8), Rubicon, Trenton and West Bend



Printed on recycled paper with a soy base ink.

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>01-3846/1</b>	<b>Introduction Number</b> <b>AB-599</b>
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**Subject**  
 Sale of tax delinquent property

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
1. <input type="checkbox"/> Increase Costs	4. <input checked="" type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input checked="" type="checkbox"/> Decrease Costs	<input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Towns       Village       Cities  
 Counties       Others      City of Milwaukee  
 School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR     FED     PRO     PRS     SEG     SEGS

<b>Agency/Prepared By</b> DOR/ Rebecca Boldt (608) 266-6785	<b>Authorized Signature</b> Brian Pahnke (608) 266-2700	<b>Date</b> 10/31/01
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**Fiscal Estimate Narratives**  
**DOR 11/1/01**

LRB Number 01-3846/1	Introduction Number AB-599	Estimate Type Original
<b>Subject</b> Sale of tax delinquent property		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, the City of Milwaukee and counties that sell tax delinquent property must use a competitive bidding process and may only accept bids that are at or above the appraised value of the property. Under the bill, a county or the City of Milwaukee may only accept bids for tax delinquent property at or above the property's appraised value in the county's first attempt to sell the property. In subsequent attempts to sell the property, the county may accept bids for any amount.

The bill may result in reduced proceeds from tax delinquent sales to the extent that property is sold at lower than its appraised value. As a result, any net proceeds distributed to former owners of homestead property may be reduced. To the extent that counties and the City of Milwaukee can sell property that would not sell for its appraised value, the bill would result in reduced costs related to maintenance, management and insurance required for tax delinquent property. In addition, the bill may expedite the return of properties to the tax roll.

The bill is not expected to affect a significant number of tax delinquent sales; thus the fiscal effect on counties and the City of Milwaukee is minimal. The bill has no state fiscal effect.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>01-3846/1</b>		Introduction Number <b>AB-599</b>	
Subject Sale of tax delinquent property			
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 funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes (FTE Position Changes)		\$	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		\$	\$
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$	\$
			\$See text of fiscal note.
			\$See text of fiscal note.
Agency/Prepared By		Authorized Signature	Date
DOR/ Rebecca Boldt (608) 266-6785		Brian Pahnke (608) 266-2700	10/31/01