
Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Senate Bill 829

Senate Amendment 1

BACKGROUND

Under current law, a county may acquire and subsequently sell certain property on which property taxes are delinquent.¹ The county generally may retain the net proceeds from the sale. However, if the former owner used the property as a homestead at any time during the five years preceding the county's acquisition of the property, the county must provide notice that the former owner may be entitled to a share of the proceeds. The former owner forfeits all claim to the proceeds unless the former owner requests payment within 60 days of receiving notice from the county.

If a former homestead owner is entitled to receive proceeds, the county deducts certain penalty amounts from the gross proceeds. Very generally, that penalty deduction is the greater of either \$500 plus 50 percent of the remaining net proceeds after deducting county costs or two percent of the sale price plus county costs.

2021 SENATE BILL 829

Senate Bill 829 entitles a former owner to receive the net proceeds from the sale of property regardless of whether the former owner used the property as a homestead.

The bill also removes the requirement that a former owner request payment within 60 days of receiving notice, and removes the county's deduction of the penalty amounts described above (while retaining the deduction of county costs).

Further, the amendment requires the county to use the net proceeds to pay off any lien placed on the property at the time of the sale. If the net proceeds cannot satisfy all liens, the county must pay lienholders in priority based upon the date of the lien.

SENATE AMENDMENT 1

Senate Amendment 1 provides that a former owner forfeits the right to any net proceeds if the county cannot locate the former owner within five years of providing notice that the former owner may be entitled to a share of the proceeds.

The amendment also provides that, if the net proceeds cannot satisfy all liens, the circuit court for the county in which the property is located determines the priority in which the county pays lienholders.

BILL HISTORY

Senate Amendment 1 was introduced on February 16, 2022, by Senator Felzkowski. On February 22, 2022, the Senate voted to adopt the amendment, and pass the bill, as amended, both on voice votes.

MS:ksm

¹ These procedures apply also to a first-class city (the City of Milwaukee).