

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 2231/1
INTRODUCTION # AB 321
Admin. Rule #

Subject Pay to Former Owner Proceeds from Sales of Tax Delinquent Property

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 type="checkbox"/> Permissive <input checked="" 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 type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input checked="" type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	

Fund Sources Affected <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	Affected Ch. 20 Appropriations
---	---------------------------------------

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, if the taxes on a property are unpaid for several years, a county or the City of Milwaukee is authorized to issue a tax deed on the property, and sell the property to recover the delinquent taxes, interest, penalties and other costs.

If the property was homestead property, the county notifies the former owner that he or she may be entitled to a share of the proceeds of a future sale of the property, if the selling price exceeds the delinquent taxes, interest, penalties and other costs specified in statute. The former owner has 60 days to request in writing payment of the share of the proceeds to which he or she is entitled. In the case of non-homestead property, the county retains the proceeds of the sale of the property.

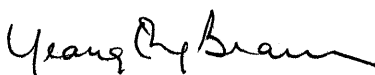
Under the bill, former owners of all property -- not just homestead property -- for which a tax deed is issued may be entitled to a share of the proceeds of a future sale of the property. The bill requires the county to notify by registered or certified mail such former owners of their eligibility and allows former owners 60 days to request in writing payment of the share to which they may be entitled.

The bill decreases county and City of Milwaukee revenues and increases administrative costs.

Revenue Effect. Based on 1998 Financial Reports filed by counties and the City of Milwaukee, sales of non-homestead, tax-deeded properties generated net revenues of about \$337,000. Under the bill, assuming all former owners timely request a share of the proceeds, county and City revenues would decrease by roughly this amount.

Administrative Cost Effect. According to the City of Milwaukee Treasurer's website, the city issued about 747 tax deeds in 1998. Assuming each certified or registered letter costs \$4, total administrative costs of (continued on page two)

Long-Range Fiscal Implications:

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 7/6/99
---	--	-----------------------

FISCAL ESTIMATE FORM

LRB 2231/1 (AB 321)

Page 2

the bill for the City of Milwaukee would be about \$3,000 ($\4×747) per year. Counties do not report the number of tax deeds issued. However, based on discussions with county treasurers, administrative costs of the bill to counties are not likely to exceed \$10,000 annually. Thus, total administrative costs would be up to \$13,000 per year under the bill.

YCB 7/6/99

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # - 2231/1
INTRODUCTION # AB 321

Admin. Rule #

Subject

Pay to Former Owner Proceeds from Sales 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 State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
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		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ 13,000
NET CHANGE IN REVENUES	\$ _____	\$ - 337,000

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Blair P. Kruger, (608) 266-1310	Yeang-Eng Braun <i>Yeang Eng Braun</i> (608) 266-2700	7/6/99