

1999 DRAFTING REQUEST

Bill

Received: **12/22/98**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7597**

By/Representing: **Wong**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - property**

Extra Copies:

Topic:

DOA:.....Wong - Delinquent property taxes

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 12/30/98	gilfokm 12/30/98		_____			Local
/1	jkreye 01/29/99	gilfokm 01/29/99	ismith 01/4/99	_____	lrb_docadmin 01/4/99		Local
/2			martykr 01/31/99	_____	lrb_docadmin 01/31/99		

FE Sent For:

<END>

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1?	jkreye	1-12-30 Kung	IS 1/4/99	IS/HH 1/4/99			S&L

dm 1/31 dm 1/31

FE Sent For:

<END>

is issued. The policy will name both voluntary party and the State of Wisconsin as the insured.

Area-wide Groundwater Issues

1. Financial Incentives for Area-wide Brownfields Cleanup

- Withdraw previous request to create a Wisconsin Economic Revitalization Zone Program (WERZ).
- Withdraw previous request to expand the ER TIF certification period.
- Allow the political subdivision to create TIF once the Department of Natural Resources has approved the NR 716 site investigation report.
- Modify previous request from "allow ER TIF to be used on multiple properties" to "allow ER TIF to be used on *contiguous* multiple properties".

Public Outreach and Education

1. Provide Grants to Establish Nonprofits/Quasi-Governmental Entities in Brownfields Redevelopment

- Authorize Commerce to provide up to \$100,000 from Brownfields grants to match an equal amount from the nonprofit to establish a non-profit center.

DNR Requests

Analysed = Manypee Wong 8-7597 J Instructions From DNR attached

1. Delinquent Property Taxes (See Attachment B)

- Authorize a county to charge this cost to underlying jurisdictions when a property has been remediated or redeveloped by the local government.

PECFA

1. Annual Report that Lists Sites in Remediation

- Require the submission of a joint DNR/Commerce annual report to the Governor and appropriate standing committees of the Legislature each year on July 1. First report will be due July 1, 2000. The report should consist of the following information for all open sites in the program:

1. Site investigation receipt date.
2. Risk factors identified at each site.
3. Expected year for closure.

2. Revenue Bond Authority

- Authorize \$150 million in bonding.
- Require that debt service be paid from a sum-sufficient appropriation from the Petroleum Inspection Fund.

2. Asbestos Abatement Fee Adjustment and Citations for Noncompliance- This proposal would amend Wis. Stat., s. 285.69 (3), to eliminate the statutorily-imposed cap on inspection fees for nonresidential asbestos demolition and renovation projects. The current fee structure does not provide sufficient revenue to effectively operate the asbestos inspection program and is less than the fee imposed by surrounding states. Additionally, the Department proposes to amend Wisconsin Statutes Chapters 23 and 285 to allow for the use of administrative orders with penalties or citations as an interim enforcement step to compel compliance with asbestos abatement regulations.

3. Stationary Source Air Pollution Fee Increase- This proposal would amend Wis. Stat., s. 285.69 (2), to increase the fees collected from owners or operators of stationary sources of air pollution for which a permit is required. Currently, the Air Management program is avoiding a deficit in its stationary source program only through severe spending reduction measures that are adversely affecting compliance and enforcement, technical analyses and assistance, state implementation plan development, air monitoring, and public education activities. The proposed fee increase will allow the program to generate enough revenue to meet the current statutory expenditure authority, and add staff to address the significant backlog of federal and state operation permits.

4. Open Burning Citations - The Department proposes to establish a citation program to address violations of Wis. Admin. Code, ch. NR 429, related to open burning. While administrative rules allow the burning of certain material such as paper, cardboard, and plant-related materials under limited conditions, the complaints are usually associated with the burning of improper materials. The Department proposes that a warning letter would be issued to first-time offenders and that the citation option be used for repeat offenders or for those exhibiting unreasonable disregard for public health and the environment.

5. Brownfields Statutory Language Changes- The Department proposes several changes to the statutes governing the Brownfields program based on a thorough review of language implemented in 1997 Wisconsin Act 27. These changes include proposals that would:

- Amend Wis. Stat., ch. 71, to allow municipalities which clean up contaminated properties meeting tax credit eligibility standards to assign the associated tax credits to private parties who redevelop the properties.
- Amend Wis. Stat., ch. 75, to allow counties to charge back a specific portion of canceled delinquent property taxes to local units of government because—under current law—the county will already have paid the local government a percentage share of the taxes canceled. Sharing the expense of waiving taxes would create an equitable system where the county and city each incur a loss associated with the tax delinquent Brownfield.
- Amend Wis. Stat., ch. 292, to eliminate the requirement that lenders and local governments investigate and clean up any discharge of a hazardous substance from an underground storage tank. Current statutory language requires that lenders foreclosing on a property and local governments address any discharge of a hazardous substance from an underground storage tank regulated under federal statutes, even though these lenders and local governments are statutorily exempt from investigating or cleaning up any other type of hazardous substance discharge. Excluding underground storage tanks from the lender liability exemption may, in some situations, prevent a lender from pursuing redevelopment of a Brownfield contaminated by a leaking underground storage tank. Similarly, local governments may be prevented from developing Brownfields without this exemption.

12-23-98

Spoke to Ulong

re "specific portion"

she called DNR — they forgot to discuss it

she'll call back Monday or Tuesday

after she has spoken with DNR.

change back a specific portion to local
units of government

if charge had the entire amount the county and
city do not share expense of raising
taxes



County simply puts entire burden
back onto the city

~~Q = request over 2 terms =~~

~~"city" and "local unit of government"~~

~~distinction? preference?~~

all taxes levied on property by

county but called to town, village, city or in
county

(local taxation distinct?)

"local" clerk collects all billings and adds them
to amount the local unit has levied on property for local
needs

local treasurer collects taxes → sends considerable
amounts to county (remits to county treasurer)

County treasurer collects only delinquent taxes & postponed
payments



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1431/1

JK: King

SOON

D-N

DOA:.....Wong - Delinquent property taxes

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ^{Draft Gen. Cat} relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

Under current law, a taxation district transfers its tax roll to the county or counties in which the taxation district is located. The county accepts all delinquent property taxes from the taxation district and credits the taxation district for delinquent taxes in the next tax levy. The county attempts to collect the delinquent property taxes by issuing a tax certificate. After the county issues a tax certificate, an owner of real property has two years to redeem the certificate by paying the delinquent taxes. If the taxes remain unpaid after two years, the county may record a tax deed on the property.

However, a county may cancel the delinquent taxes if the property is contaminated by a hazardous substance and the property owner agrees to clean up, maintain and monitor the property. The taxation district that transferred the relevant tax roll receives a credit on its tax levy from the county even though the county has cancelled the tax. ^{requires}

This bill ^{authorizes} a county that cancels delinquent taxes to charge back to the appropriate taxation district the amount of the cancelled taxes and to include that amount in the county's next tax levy against the taxation district.

For further information see the ~~state and~~ **local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 75.105 (3) of the statutes is amended to read:

75.105 (3) ADMINISTRATION. Upon the cancellation of all or a portion of real property taxes under sub. (2), the county treasurer shall execute and provide to the owner of the property a statement identifying the property for which taxes have been cancelled and shall enter on the tax certificate the date upon which the taxes were cancelled and the amount of taxes cancelled. The county treasurer shall charge back to the taxation district that included the ^{tax-}delinquent ^{real} property on its tax roll the amount of taxes cancelled and shall include the amount of taxes cancelled as a special charge in the next tax levy against the taxation district.

SECTION 9343. Initial applicability; revenue.

(1) **CHARGE-BACK OF CANCELLED DELINQUENT ^{PROPERTY} TAXES.** The treatment of section 75.105 (3) of the statutes first applies to taxable years beginning on January 1 of the year in which this subsection takes effect, except that if this subsection takes effect after July 31 the treatment of section 75.105 (3) of the statutes first applies to taxable years beginning on January 1 of the year following the year in which this subsection takes effect.

(END)

Revisor is just changing the statute data base as 4 spelling, so this is corrected without striking & scoring.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1431/1¹fdn

JK: *King*

December 30, 1998

The instructions for this bill indicate that the Department of Natural Resources (DNR) proposed that a county be allowed to charge back "a specific portion" of canceled delinquent property taxes. However, the instructions do not indicate what that "specific portion" is. This bill, as it is presently drafted, allows a county to charge back the *entire* amount of canceled delinquent taxes. I understand that you will contact the DNR to find out what specific portion of canceled taxes it wants charged back to the local unit of government. Please let me know when you have that information. I will then make the appropriate changes to the bill.

Joseph T. Kreye
Senior Legislative Attorney
266-0129

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1431/1dn
JK.kmg:ijs

January 4, 1999

The instructions for this bill indicate that the Department of Natural Resources (DNR) proposed that a county be allowed to charge back "a specific portion" of canceled delinquent property taxes. However, the instructions do not indicate what that "specific portion" is. This bill, as it is presently drafted, allows a county to charge back the *entire* amount of canceled delinquent taxes. I understand that you will contact DNR to find out what specific portion of canceled taxes it wants charged back to the local unit of government. Please let me know when you have that information. I will then make the appropriate changes to the bill.

Joseph T. Kreye
Senior Legislative Attorney
266-0129



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-14311 ²
JK:kmg:ijs

SOON

DOA:.....Wong - Delinquent property taxes

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT *do not go* ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

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This bill requires a county that cancels delinquent taxes to charge back to the appropriate taxation district the amount of the canceled taxes and to include that amount in the county's next tax levy against the taxation district.

any or all of



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1431/2

JK:kmg:km

DOA:.....Wong - Delinquent property taxes

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

PROPERTY TAXATION

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This bill requires a county that cancels delinquent taxes to charge back to the appropriate taxation district any or all of the amount of the canceled taxes and to include that amount in the county's next tax levy against the taxation district.

