

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB 335

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

Name Tom Durak - DOR

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

City and Zip Code \_\_\_\_\_

Representing \_\_\_\_\_

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input checked="" type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB 335

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

Name Ed Huck

Street Address or Route Number 1445 N. Slick

City and Zip Code Madison, WI

Representing WI Alliance of Cities

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB 335

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

Name DAVID GAVENDA

Street Address or Route Number 1004 DOUGLAS TR.

City and Zip Code MADISON, WI 53716

Representing DANE COUNTY

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB335

Or  
Subject: Shaw Period

Name Frieda Jacobson

Street Address or Route Number 4814-45A Av

City and Zip Code Kenosha, WI

Representing Kenosha Co. Co Treas Assn

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB335

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

Name Dorothy S Ross

Street Address or Route Number 515 MAIN

City and Zip Code JANESVILLE, WI 53045

Representing Rock Co Treas,

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB335

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

Name Jay Zahn

Street Address or Route Number 5590 Gordon Road

City and Zip Code Sturgeon Bay WI 54885

Representing Wisconsin County Treasurers Association

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/14/01

Bill No. 335

Or  
Subject Green Period

Name BETTY MAJESKI

Street Address or Route Number 730 WISCONSIN AVE

City and Zip Code RACINE WIS 53403

Representing RACINE COUNTY ASSOC  
COUNTY TREAS.

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-10-01

Bill No. AB 335

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

Name KERRY BLANEY

Street Address or Route Number 3031 ROCKELAND DR

City and Zip Code GREEN BAY WI 54

Representing BROWN COUNTY

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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

Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: May 9, 2001

Bill No. AB 335

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

Name Allison Fujana

Street Address or Route Number 100 River Place, Suite 101

City and Zip Code Monona, WI 53716

Representing Wisconsin Counties Assoc.

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB 335

Or Subject Grace Period

Name Karon E. Freber  
Dodge Co. Treasurer

Street Address or Route Number 127 E Oak St.

City and Zip Code Juneau WI 53039

Representing Dodge County  
Treasurers

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input checked="" type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB 335

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

Name KATHLEEN EVERIK

Street Address or Route Number 154 1/2 WIS. AVE

City and Zip Code BRAETON WI 53004

Representing DWARKEE Co. and  
COUNTY TREASURER'S ASSN.

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-2001

Bill No. AB 335

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

Name JOLENE McRAELEY

Street Address or Route Number E10870 Greenway Rd

City and Zip Code BARABOOL, 53913

Representing Sauk County

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB335

Or  
Subject State period

Name Teri Jacobson

Street Address or Route Number 4814 - 45 Av

City and Zip Code Kenosha, WI

Representing Self

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/09/01

Bill No. AB335

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

Name Deborah Pinner

Street Address or Route Number 965 Saddle Ridge

City and Zip Code Portage 53901

Representing Dolumbia County Treasurer

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB 335

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

Name Spencer Benedict

Street Address or Route Number 441 Keep St.

City and Zip Code Darlington WI 53830

Representing Cafayette Treas

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-01

Bill No. AB335

Or  
Subject Grace Period

Name Tolene M. Millard

Street Address or Route Number 617 Main St.

City and Zip Code Linden, WI 53553

Representing Sen. Co. Treasurer

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5-9-2001

Bill No. 335

Or  
Subject pp

Name John Ryk

Street Address or Route Number 714 Wilson

City and Zip Code Shen Sun

Representing 57303 Bay

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: May 9, 2001

Bill No. AB335

Or  
Subject pp

Name William J. Berger

Street/Address or Route Number 1010-56th Street

City and Zip Code Shen Sun 53140

Representing County of Seneca

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB 335

Or Subject LATE RECEIPT TAX REVENUE

Name Rick Spedeman

Street Address or Route Number W2686 Ctr Roman

City and Zip Code Shawano, WI 54880

Representing Wis Tours Assoc

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input checked="" type="checkbox"/>

*Not speaking for information only*  
*see written memo*

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Provided by:  
Assembly Sergeant at Arms  
411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: May 9 2001

Bill No. 335

Or Subject 3 Day grace period

Name LOUISE KOTTORER

Street Address or Route Number 111 So. Jefferson

City and Zip Code MONASTON WI 53800

Representing JEFF COUNTY TREASURER

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input checked="" type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB-335

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

Name Michael M. Bickley

Street Address or Route Number P.O. Box 1493

City and Zip Code Madison, WI 53701

Representing Wisconsin Property Lawyers, Inc.

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:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

# Assembly Hearing Slip

(Please print plainly)

Date: 5/9/01

Bill No. AB 335

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

Name Boggs, Paul Thomas

Street Address or Route Number 10341 West Capitol

City and Zip Code \_\_\_\_\_

Representing Assembly

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:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

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411 West, State Capitol  
Madison, WI 53708

→ No deadline on late.

→ February penalty same for Feb 2<sup>nd</sup> or 28<sup>th</sup>.

Anything after that charged back to Feb 2 on daily basis.

Penalty only on 1<sup>st</sup> installment. Subsequent late payments have penalty <sup>sq</sup> back to installment due date, Record keeping out.

Local Option

61 seps in Dane Co  
34 of which are towns

→ Out

5 yr option ← Out.

Kujawa offered Counties Assoc to be involved in discuss

Ways & Means Committee  
Preliminary Report on Referred Legislation  
April 24, 2001

Bill: **AB 335**  
Author: **Rep. M. Lehman**  
Date Referred: **04-18-2001**  
Public Hearing: **N/A**  
Executive Session: **N/A**

Relating Clause: **late installment payments of property taxes.**

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**Comments from Department of Revenue-**  
comments.

---

**Comments from the Author-**

Author's reasoning for introducing legislation:  
**The legislation has been reincarnated in many forms over the years from the work of Rep. Ziegelbauer.**

Author's intent:  
**To allow taxpayers to retain the right to make installment payments of property taxes should they be a few days late on their first payment.**

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.

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**Notes-**  
comments.

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# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
P. O. BOX 2037  
MADISON, WI 53701-2037

LEGAL SECTION: (608) 266-3561  
REFERENCE SECTION: (608) 266-0341  
FAX: (608) 266-5648

STEPHEN R. MILLER  
CHIEF

May 4, 2001

### MEMORANDUM

**To:** Representative Michael Lehman

**From:** Joseph T. Kreye, Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2001 AB-335** (LRB-2221/2)

---

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

May 1, 2001

**TO:** Joe Kreye  
Legislative Reference Bureau

**FROM:** Dennis Collier  
Department of Revenue

**SUBJECT:** Technical and Policy Memorandum on AB 335 - Late Payment of Property Taxes  
Subject to Interest Only

We have the following concerns with AB 335:

1. At page 2, line 17, and page 3, line 25, it is not clear whether the "full amount of taxes due" refers to the January 31 installment amount or the entire unpaid balance.
2. Page 2, lines 10-11, and page 4, lines 9-10, refer to a unit of government to which the taxes are to be paid. Is it the author's intent that only counties and municipalities that allow multiple installments would be authorized to enact an ordinance under the bill? Since timely first installments are paid to the taxation district but delinquent first installments are paid to the county, it is not clear whether 2-installment municipalities could enact an ordinance under the bill.
3. At page 3, line 5, and page 4, line 14, reference is made to sec. 74.47(1), which establishes the interest rate only. Reference should also be made to sec. 74.47(2), which provides the penalty.
4. The bill provides that certain unpaid taxes would never become delinquent. Is that the intent of the author? For example, under the bill, a county may enact an ordinance providing that, so long as the first installment is timely paid, the second installment will not be delinquent.

If you have questions regarding this technical memorandum, please contact Blair Kruger at 266-1310.

DC:

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 01-2221/2	<b>Introduction Number</b> AB-335
<b>Subject</b> Late payment of property taxes	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriations	
<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 Costs	
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input checked="" type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease 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	
<b>5. Types of Local Government Units Affected</b> <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<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"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b> DOR/ Blair Kruger (608) 266-1310	<b>Authorized Signature</b> Dennis Collier (608) 266-5773
	<b>Date</b> 5/4/01

**Fiscal Estimate Narratives**  
**DOR 5/4/01**

LRB Number <b>01-2221/2</b>	Introduction Number <b>AB-335</b>	Estimate Type <b>Original</b>
<b>Subject</b> Late payment of property taxes		

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, property taxes are due by January 31 but taxpayers have the option of paying the tax in installments, at no interest. However, if an installment is late, the entire unpaid balance is subject to interest from February 1, regardless of the date the installment was due. Interest is assessed at 1% per month and a penalty, typically at 0.5% per month, is assessed by about half the counties.

Under the bill, a unit of government to which taxes are paid may enact an ordinance providing that a first installment that is paid within 3 business days after January 31 is not delinquent if the taxpayer had made timely property tax payments in each of the 5 previous years and the taxpayer had paid in installments the previous year. The ordinance may also provide that if a second or subsequent installment is late, but earlier installments were paid timely, the late subsequent installment is not delinquent but is subject to interest and penalties from the day after the installment was due rather than from February 1 as under current law.

The bill does not apply to the City of Milwaukee.

The fiscal effect of the bill is due to the potential reduction in interest and penalties where such ordinances are enacted. Since counties typically collect late-paid and delinquent taxes, they would bear most of the revenue loss under the bill. In addition, counties and municipalities would incur costs to revise their tax accounting systems to track payments dates.

For purposes of the analysis of the fiscal effect, it is assumed that all property tax collections would be subject to the ordinances authorized by the bill. The discussion of the fiscal effect is then divided between the revenue loss attributable to the first installment and the revenue loss attributable to subsequent installments.

**First Installments.** Based on department data on taxes payable in 2000, about \$176 million in taxes on real property was delinquent as of February 1. Since the counties that impose a penalty for delinquent payments contain about 75% of total equalized value, penalties are calculated at 0.375% (0.5% x 75%) per month or fraction thereof. Assuming 10% of delinquent taxes are paid within 3 business days after January 31, interest and penalties would be about \$0.2 million ( $\$176 \times 10\% \times 1.375\%$ ) under current law.

Under the bill, only the first installments--accounting for half of the \$176 million or \$88 million--would be subject to interest and penalties if paid within 3 business days after January 31. Assuming 10% of the late first installments are paid within 3 business days, interest and penalties paid to the county or municipality would be about \$0.1 million ( $\$88 \times 10\% \times 1.375\%$ ) under the bill. Thus, interest and penalties would decrease by about \$0.1 million under the bill.

**Subsequent Installments.** Based on department data on taxes payable in 2000, an estimated \$76 million in taxes on real property was delinquent as of August 1. Of the \$76 million, it is assumed that 25% (\$19 million) had been delinquent since February 1 and so would not be affected under the bill. Thus, the bill would only affect the \$57 million that was not paid by July 31.

Regardless of the date the taxes became delinquent, interest and penalties are calculated from February 1 under current law. If \$5.7 million of the delinquent taxes is paid each month for the 10-month period beginning in August, a total of \$9.0 million in interest and penalties would be paid.

Under the bill, the \$57 million that became "late" on August 1 is subject to interest only from August 1 rather than from the preceding February 1. Assuming \$5.7 million is paid in each of the next 10 months, a total of about \$4.3 million in interest and penalties would be paid on taxes that were late on August 1. Thus, interest and penalties would decrease by about \$4.7 million ( $\$9.0 \text{ million} - 4.3 \text{ million}$ ) under the bill.

Summary. If counties and municipalities adopt ordinances implementing the bill, total interest and penalties could decrease by as much as \$4.8 million (\$0.1 million + 4.7 million) under the bill.

Administrative Effects. If counties and municipalities elect to enact an ordinance to implement the bill, they will incur a one-time cost to reprogram their billing and collection systems. Data are not available to estimate these costs.

The bill would require minor revisions in the property tax bill and training materials, the costs of which the Department would absorb.

### **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>01-2221/2</b>	Introduction Number <b>AB-335</b>
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**Subject**  
 Late payment of property taxes

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**  
 County and municipal programming costs – not estimated.

<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	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>\$</b>	<b>\$</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>\$</b>	<b>\$</b>

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$(4,800,000)

<b>Agency/Prepared By</b> DOR/ Blair Kruger (608) 266-1310	<b>Authorized Signature</b> Dennis Collier (608) 266-5773	<b>Date</b> 5/4/01
---	--	-----------------------



**Jay Zahn**  
**Door County Treasurer**

P.O. Box 670  
Sturgeon Bay, WI 54235-0670

APRIL 9, 2001

CHAIRMAN LEHMAN AND MEMBERS OF THE ASSEMBLY WAYS AND MEANS COMMITTEE...

I am Jay Zahn, Door County Treasurer and President of the Wisconsin County Treasurer's Association. I am here to speak in opposition to AB335 allowing a 3 day grace period for payment of property taxes.

County Treasurers have dealt with this issue since the beginning of property tax collection. Every year there are hard luck stories as to why a taxpayer pays their taxes late.

This bill happens to give a three day grace period. I can assure you that if you pass this bill, you will continue to hear from those 4 days late, a week late, two weeks late, a month late. Everyone feels they should have an exception for their particular case.

What it comes down to is....TAXPAYER RESPONSIBILITY! Each year legislators hear from a few taxpayers caught in this situation...not from the 98 to 99 percent that pay their taxes in a timely manner.

Where are the large crowds clamorring for this legislation? Government, while taking into consideration the minority should be doing what's best for the majority. The majority abide by the rules. If we are going to give a break to those that pay late, perhaps those that pay early should be given a discount.

The Department of Revenue expects me to file and pay my income taxes by the 15th of April. They don't say, well, you've been a good taxpayer for the last five years so we'll give you a pass this time. And by the way...pay half now and the next half in six months down the road.

A credit card company doesn't say...take a few extra days. You pay a stiff penalty if you don't pay on time.

If I don't have my settlement to the State Treasurer by the prescribed dates he doesn't say...take a few extra days. The State Treasurer doesn't even go by a postmark. The money must be in his hands on the due date or transferred to his account or there is a penalty...something several of our County Treasurers have paid this year.

County Treasurers are willing to take the heat for the few that miss the deadline every year. Leave the Statutes alone for the benefit on the majority of taxpayers that meet their obligation on time. Once you start the process of chipping away at our basis system you will open a Pandora's Box of changes that will never end.

Please vote no on this bill.

I cannot attend the Public Hearing today, but the City of Waukesha would like to go on record opposing AB335. While the lost of interest is an issue, the computer programing and administration of this proposal is in effect an unfunded mandate on the local tax collecting entity! Thanks for your consideration on this matter.

Thomas E. Neill  
Clerk-Treasurer  
City of Waukesha

**COUNTY OF**

**RACINE**



RACINE COUNTY COURT HOUSE  
1931

730 Wisconsin Avenue

**RACINE, WISCONSIN**

53403-1274

COUNTY TREASURER  
ELIZABETH A. MAJESKI

PHONE (262)636-3239  
FAX (262)636-3851  
EMAIL: BettyM@racineco.com

May 4, 2001

REP MICHAEL LEHMAN  
PO BOX 8952  
MADISON WI 53708-8952

RE: AB 335

Dear REP LEHMAN,

I am writing to you to voice my opposition to AB335 dealing with late payments of property taxes, "grace period". This proposal is unfair, costly to counties, and for some, extremely difficult to implement, not uniform, and ambiguous at best.

- Unfair – What about the thousands of taxpayers who paid on time?
- Unfair – What about the person who comes in on the fourth day? Deadlines are deadlines!!!
- Cost – Loss could be in the hundreds of thousands in penalty and interest for the counties because the taxes would not be delinquent.
- Cost – To implement this, there would be technical costs for setting up the system, costs for personnel.
- Implementation – It would be very difficult for many governing bodies to research whether the taxpayer paid on a timely basis for the previous five years.
- Uniform – It is presented as an option. What happens when someone owns property in Caledonia and Mt. Pleasant and is late. Caledonia permits the option and Mt. Pleasant doesn't?
- Settlement – After the January 31 deadline, the municipalities and counties have until February 20 to balance all payments, and settle with all the taxing entities. This is always a tight time schedule and now three days would be cut from it.
- Ambiguous – The proposed bill states that the taxes would be late, but not delinquent! Delinquent (Definition) - Failing to do what is required by law or obligation. Overdue in payment.
- Second installment would not be delinquent, but is subject to interest and penalties if the first installment was timely. From what date is the second installment delinquent, July 31<sup>st</sup> or Jan. 31<sup>st</sup>? Again, the answer to this could be extremely costly to counties.

Racine County is very active in ways to help the taxpayer pay their taxes on time. We

1. Send out reminder notices.
2. Insert a very graphic reminder of the dates
3. Advertise on radio, newspapers, TV
4. Have 24 hour drop boxes in the east and west ends of the county.
5. Will start in 2000 to permit payment by credit cards.
6. Anticipate starting in 2001 to permit payment by credit cards on the internet.

I've enclosed samples of what we do. How much more can we do? Who foots the bill for this, all the taxpayers, the vast majority of whom pay on time.

Passage of this serves only a few, and penalizes thousands.

Sincerely,



Elizabeth A. (Betty) Majeski  
Racine County Treasurer

# Racine County

Treasurer

TAX KEY: 004 042235190010  
3340 FENCELINE RD  
35-04N-22E  
BAILEY/S CROSSING  
LOT 5 BLK 2

RACINE COUNTY TREASURER  
DEPT. 3964  
PO BOX 2088  
MILWAUKEE, WI 53201-2088

PHONE (262) 636-3239

5/07/2001

OFFICIAL STATEMENT  
PAYOFF FOR THE MONTH OF JULY, 2001

TAX YEAR	GENERAL TAX BALANCE	SPECIAL ASSESSMENT BALANCE	TOTAL PRINCIPAL DUE	INTEREST & PENALTY AMOUNT	YEAR TOTAL
2000	598.67	.00	598.67	.00	598.67
<b>GRAND TOTAL DUE:</b>					<b>598.67</b>

CHARLES A & ELIZABETH A  
MAJESKI  
3340 FENCELINE RD  
FRANKSVILLE WI 53126

SIGNED



**TAXES ARE DUE ON**

**July 31, 2000**

**MAIL EARLY TO ENSURE TIMELY PAYMENT.**

**POSTMARK ON ENVELOPE DETERMINES DATE**

**OF PAYMENT.**

## TAXPAYER NOTICE

The last date for payment of the  
second installment of the 2000  
Real Estate Taxes is:

**JULY 31, 2001**

Payable in person at:

Racine County Treasurer  
Courthouse, 730 Wisconsin Ave.  
Racine, WI 53403

OR

Racine County Service Center  
209 North Main St., Burlington

Office Hours:  
8:00a.m.-5:00p.m.  
Monday through Friday

**Locked deposit boxes at both locations  
24 hours a day for drop off payments.**  
(receipts will be mailed)



Treasurer

Kathy M. Du Bois  
County Treasurer

TO: REP. SAMANTHA STARCZYK

*Kathy*  
FROM: KATHY DU BOIS  
COUNTY TREASURER

RE: AB335

DATE: MAY 2, 2001

Samantha....

How are you doing? I've been trying to pull some of the comments together for you from the other county treasurers.

I'll put in my two cents worth first:

The back of the tax bill reads... "If your tax bill qualifies and if you choose to pay your taxes in installments, then you must pay each installment by the due date or the TOTAL amount of your remaining unpaid taxes, special assessments, special charges and special taxes (if any) will be delinquent (s.74.11(7) or 74.12 & 74.85, Wis. Stats.) All delinquent taxes are subject to interest of 1% per month (fraction of a month counts as a whole month) from February 1 until paid, and in addition, may be subject to an additional penalty. (s. 74.47)"

Our computer system is programmed to automatically calculate interest and penalty charges. I believe that this could be a programming nightmare.

A couple of scenarios:

Taxpayer 1: Pays his first installment by Jan. 31 and second installment by July 31. The second installment is considered "postponed" and the taxpayer is not delinquent.

Taxpayer 2: Pays his first installment by Jan. 31 and the second installment Aug. 3. His status was "postponed" until Aug. 1 and then became delinquent.

Taxpayer 3: Pays his first installment on Feb. 3 and the second installment by July 31. Even though his first installment is late, he would have the same "postponed" status as Taxpayer 1 who followed the rules. Is that fair?

The local municipality collects the first installments using the statutory deadline of Jan. 31 as the last day for "in person" collections. The County asks for their collection records on February 5. This gives the County only two weeks to balance the districts and print the tax roll in order for us to meet the statutory February 20 settlement deadline. Walworth County is not one of the largest counties with 28 municipalities, but I know that we are in a real time crunch from February 5 - 20 so I can't imagine how it must be in the larger county's.

When the local municipality turns in their collection records, they also bring in any taxes that they have received at the last minute. Our office then receipts these payments. We receipt the Jan. 31 and prior postmarks as timely but any February postmark is delinquent. (s. 74.69 "...the payment is timely if it is mailed in a properly addressed envelope, postmarked before midnight of the last day prescribed for making the payment, with postage prepaid, and is received by the proper official not more than 5 days after the prescribed date for making the payment".) We have boxes of mail to receipt. It is indicated in this proposed bill that the County check the payment history to see if the taxpayer has been timely in the last five years. In this period between Feb. 5 and Feb. 20 we don't have the time to check payment histories for five years.

For some reason this proposed bill pops up every so often. I don't understand why.

I guess I'll get off my soapbox. If you have any questions, please give me a call...262/741-4321 or at home 262/723-3878.

Other county treasurer's have made the following comments:

- The date due is the date due. Why should one person get a break and another does not.
- We will have the same people late that are always late. Who has the time or employees to check every late payment to see if they paid on time for the last 5 years. To begin with how many Counties have that much information on their computers.
- It adds an additional administrative burden on us to verify that a particular taxpayer has not been delinquent in the last five years.

- It costs counties the money to have our software rewritten (assuming it could be) to accommodate these changes.
- I am opposed to this 3-day grace period, especially the 5 year part. Our computers do not carry past years' payments so I would have to dig thru the archives to determine if payments were made timely each of the last 5 years.
- 1.5% is a pretty cheap loan
- The interest and penalty charges are revenue for the county.

May 4, 2001

Committee on Ways and Means

Representative Mickey Lehman, Chairperson - Members- Ainsworth, Jeskewitz, F. Lasee, Olsen, Owens, Starzyk, Sykora, Ziegelbauer, Wood, Morris-Tatum, Turner, and Pocan

Subject: AB335 – Late Installment payments of Property Taxes

The purpose of my letter is to let you know that I **strongly oppose** AB 335. This Bill provides that a property tax payment is not delinquent if paid no later than three business days after the installment is due. In essence, the payment is deemed "late" not delinquent, and is subject to interest and penalties. Passage of this legislation will have detrimental consequences on the property tax payer and the administration of property tax collections and disbursements.

AB 335 eliminates the due date certain feature of the current law that allows citizens to pay prior year taxes by January 31 of the following year. In Rock County, at least 99.9% of the taxpayers have no difficulty meeting the due date for property taxes. I have no doubt that the proposed change will create confusion for the vast majority of property tax payers.

The Bill is silent with regard to an individual who elects to pay taxes within the three day "late" period, but does not include the interest due from February 1<sup>st</sup>. Would that individual be considered delinquent or twice late? The only way an individual could be certain that the proper calculation of interest and penalty are included in a late payment would be contact the Treasurer's Office prior to paying that installment. Nothing addresses the fact that the prior owner paid taxes late in the last 5 years and so the new owner would have to build a payment history before qualifying. What happens if the Mortgage Company pays late or the tax service agency fails to pay the taxes on the proper parcel? Is the owner responsible if the person he sold the property to on Land Contract fails to pay the taxes when due, and the owner has to foreclose?

The Bill says nothing about municipalities with multiple installment dates. Does the "late" allowance apply to all installments?

AB 335 gives local municipalities to which property taxes are paid the flexibility to implement this by ordinance. In Rock County, there are 28 local jurisdictions, which receive property tax payments. The flexibility will result in inconsistent implementation within Rock County, let alone the state of Wisconsin. Many property taxpayers own property in multiple local jurisdictions. The net result will be much confusion for those individuals who own property in more than one local jurisdiction.

And finally, passage of this Bill will place additional cost and administrative burden on my office. The tax receipting software used by my Office would require an extensive and expensive update. Furthermore, AB 335 adds an additional administrative burden on us to verify that a particular taxpayer has not been delinquent in the last five years plus causes a very tight time frame for settlement if this Bill becomes law.

In summary, the present system works fine for the vast majority of the responsible citizens of the State of Wisconsin. Passage of this Bill would offer a questionable benefit to a very small group of people to the detriment of the majority. Therefore, I urge you to vote in opposition to AB 335.

Thank you,  
Peggy S. Ross,  
Rock County Treasurer  
51 S Main

Janesville, WI 53547 Phone: 608-757-5675 Fax: 608-757-5662 E-mail: [peggyr@co.rock.wi.us](mailto:peggyr@co.rock.wi.us)



# WISCONSIN ALLIANCE OF CITIES

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(608) 257-5881 FAX 257-5882 • EMAIL: wiscall@inxpress.net

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- Milwaukee
- Monroe
- Neenah
- Oshkosh
- Racine
- Sheboygan
- Stevens Point
- Superior
- Two Rivers
- Watertown
- Waukesha
- Wausau
- Wauwatosa
- West Allis
- West Bend
- Whitewater
- Wisconsin Rapids

May 9, 2001

**To: Honorable Members of the Assembly Ways and Means Committee**

**From: Ed Huck, Director**

**Re: AB 335, late installment payments of property taxes**

The Wisconsin Alliance of Cities would like to work with you to amend AB 335, related to late installment payments of property taxes. A subcommittee of the organization has made the following recommendation, but it has not been approved by the membership. We will take it up at the end of the month.

The subcommittee recommends statutory language that allowed a penalty on the amount of the first installment regardless of the number of days late. The penalty would be one or one and one half percent for the full month of February, depending on the county in which the municipality exists. A needed update from the pre-1974 requirement is that the full property tax bill would not be immediately due. Subsequent late payments would be a cumulative one or one and one half percent per month and would be retroactive to Feb. 1.

Thank you for your consideration.



Treasurer

Kathy M. Du Bois  
County Treasurer

TO: REP. MICHAEL LEHMAN  
*Kathy Du Bois*  
FROM: KATHY DU BOIS  
COUNTY TREASURER  
RE: AB335  
DATE: MAY 7, 2001

Rep. Lehman.....

Bill AB335 is coming up for hearing on May 9. I strongly oppose this bill and would like to share my thoughts on this with you.

I'll put in my two cents worth first:

The back of the tax bill reads... "If your tax bill qualifies and if you choose to pay your taxes in installments, then you must pay each installment by the due date or the TOTAL amount of your remaining unpaid taxes, special assessments, special charges and special taxes (if any) will be delinquent (s. 74.11(7) or 74.12 & 74.85, Wis. Stats.) All delinquent taxes are subject to interest of 1% per month (fraction of a month counts as a whole month) from February 1 until paid, and in addition, may be subject to an additional penalty. (s. 74.47)"

Our computer system is programmed to automatically calculate interest and penalty charges. I believe that this could be a programming nightmare.

Scenario 1:

Taxpayer 1: Pays his first installment by Jan. 31 and second installment by July 31. The second installment is considered "postponed" and the taxpayer is not delinquent.

Taxpayer 2: Pays his first installment by Jan. 31 and the second installment Aug. 3. His status was "postponed" until Aug. 1 and then became delinquent.

Taxpayer 3: Pays his first installment on Feb. 3 and the second installment by July 31. Even though his first installment is late, he would have the same "postponed" status as Taxpayer 1 who followed the rules. Is that fair?

Scenario 2:

Taxpayer 4 and Taxpayer 5 are standing next to each other at our counter. We research Taxpayer 4's payment history and find he has always paid late and we inform him he must pay interest and penalty. Taxpayer 5 is listening to this, we research his payment history and based on the fact that this is the first time he is delinquent, we tell him that it's ok and we will not charge him interest and penalty charges. How is Taxpayer 4 going to react???

The local municipality collects the first installments using the statutory deadline of Jan. 31 as the last day for "in person" collections. The County asks for their collection records on February 5. This gives the County only two weeks to balance out the districts and print the tax roll in order for us to meet the statutory February 20 settlement deadline.... However, if the district doesn't balance, it takes time to find out why. As you know, Walworth County is not one of the largest counties with 28 municipalities, but I know that we are in a real time crunch from February 5 - 20 so I can't imagine how it must be in the larger county's.

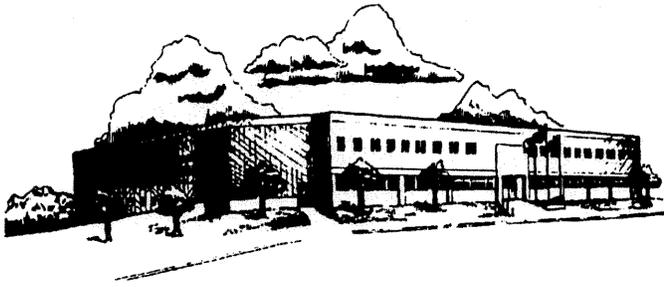
When the local municipality turns in their collection records, they also bring in any taxes that they have received at the last minute. Our office then receipts these payments. We receipt the Jan. 31 and prior postmarks as timely but any February postmark is delinquent. (s. 74.69 "...the payment is timely if it is mailed in a properly addressed envelope, postmarked before midnight of the last day prescribed for making the payment, with postage prepaid, and is received by the proper official not more than 5 days after the prescribed date for making the payment".) We have boxes of mail to receipt. It is indicated in this proposed bill that the County check the payment history to see if the taxpayer has been timely in the last five years. In this period between Feb. 5 and Feb. 20 we don't have the time to check payment histories for five years.

I guess I'll get off my soapbox. If you have any questions, please give me a call at 262/741-4321.

Other county treasurer's have made the following comments:

- The date due is the date due. Why should one person get a break and another does not.

- We will have the same people late that are always late. Who has the time, or staff, to check every late payment to see if they paid on time for the last 5 years. To begin with, how many Counties have that much information on their computers.
- It adds an additional administrative burden on us to verify that a particular taxpayer has not been delinquent in the last five years.
- It costs counties money to have our software rewritten (assuming it could be) to accommodate these changes.
- I am opposed to this 3-day grace period, especially the 5 year part. Our computers do not carry past years' payments so I would have to dig thru the archives to determine if payments were made timely each of the last 5 years.
- 1.5% is a pretty cheap loan
- The interest and penalty charges are revenue for the county.



**ST. CROIX COUNTY  
WISCONSIN**  
**OFFICE OF THE TREASURER**  
ST. CROIX COUNTY GOVERNMENT CENTER  
1101 Carmichael Road  
Hudson, WI 54016-7710  
(715)386-4645 FAX (715)381-4400

May 3, 2001

RE: AB 335-Grace Period Bill Concern

Dear Members of the Ways and Means Committee,

Timely payments in the previous five years is a concern for me. St. Croix County has 34 municipalities, and we contract with twelve to collect the first half of the taxes for them. The current tax as well as the tax for the previous year, is kept on our computer system. The other tax years are in books, filed separately by year. Searching for the additional years not on the computer system would be time consuming for the staff while they are still processing payments that were received on time. I estimate that for the twelve municipalities that the County collected for, 100 taxpayers or pieces of mail would have fallen into the "three business days late" category, this number out of the nearly twenty five thousand parcels that were paid on time. Then there are the other municipalities that collected their own taxes, who would be collecting the "three business days late" payments? How would the municipal treasurer track the previous year's payments? There are other issues that would need to be clarified but I would hope that tracking payments for five years would be reconsidered.

Thank you for your time,

Mary Jean Livermore  
St. Croix County Treasurer



# WISCONSIN ALLIANCE OF CITIES

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- Menasha
- Merrill
- Milwaukee
- Monroe
- Neenah
- Oshkosh
- Racine
- Sheboygan
- Stevens Point
- Superior
- Two Rivers
- Watertown
- Waukesha
- Wausau
- Wauwatosa
- West Allis
- West Bend
- Whitewater
- Wisconsin Rapids

**May 9, 2001**

**To: Honorable Members of the Assembly Ways and Means Committee**

**From: Ed Huck, Director**

**Re: AB 335, late installment payments of property taxes**

The Wisconsin Alliance of Cities would like to work with you to amend AB 335, related to late installment payments of property taxes. A subcommittee of the organization has made the following recommendation, but it has not been approved by the membership. We will take it up at the end of the month.

The subcommittee recommends statutory language that allowed a penalty on the amount of the first installment regardless of the number of days late. The penalty would be one or one and one half percent for the full month of February, depending on the county in which the municipality exists. A needed update from the pre-1974 requirement is that the full property tax bill would not be immediately due. Subsequent late payments would be a cumulative one or one and one half percent per month and would be retroactive to Feb. 1.

Thank you for your consideration.

**Halverson, Vicky**

---

**From:** Mary Erpenbach [merpenbach@dunncounty.net]  
**Sent:** Tuesday, May 08, 2001 1:48 PM  
**To:** rep.sykora@legis.state.wi.us  
**Cc:** rep.lehman@legis.state.wi.us; rep.ainsworth@legis.state.wi.us; rep.jeskewitz@legis.state.wi.us; rep.lasee@legis.state.wi.us; rep.olsen@legis.state.wi.us; rep.owens@legis.state.wi.us; rep.starzyk@legis.state.wi.us; rep.ziegelbauer@legis.state.wi.us; rep.wood@legis.state.wi.us; rep.morris-tatum@legis.state.wi.us; rep.turner@legis.state.wi.us; rep.pocan@legis.state.wi.us  
**Subject:** Opposition to AB335 "Grace Period" Bill

May 8, 2001

Dear Representative Sykora:

I am unable to attend the public hearing before the Ways and Means Committee tomorrow so I will e-mail my concerns to you regarding AB335, the Grace Period Bill. This would allow a 3-day grace period for property tax payments if the tax payer made timely payments in each of the last five years.

The Wisconsin County Treasurers Association has opposed several similar bills in the past. I oppose this bill for the following reasons:

1. Adjusting the tax collection process would require expensive computer program changes for counties.
2. The computer system in my office (and many other counties) does not carry prior years payments so it would require extra time to dig through the archives to determine if a taxpayer made timely payments in each of the last five years, when we are already pressed for time.
3. The Wisconsin Statutes require settlement of the January 31 tax collections by February 20, which is only about 15 working days. I have 30 municipalities and 16 school districts in Dunn County that must be balanced and paid in this short time, and cutting that by another 3 days would make it nearly impossible to settle on time.
4. A due date is a due date. The Wisconsin Department of Revenue does not give a grace period for filing income taxes nor does the Federal Internal Revenue Service.
5. The tax payer who comes in on the fourth day will still complain that he just missed the 3-day grace period by one day.
6. A few years ago a similar bill passed both the State Senate and Assembly but was vetoed by Governor Thompson because he felt it was an unfunded mandate on County Governments.
7. Giving each governing body the option to implement this bill would create inconsistencies to confuse taxpayers.
8. I already accept postmarks of February 1 because the Post Offices in Dunn County are not open until midnight. It is possible for someone to mail a tax payment on January 31, but it could have a February 1 postmark.

Thank you for considering a no vote on AB335.

Respectfully Submitted,

Mary Erpenbach

05/08/2001

Dunn County Treasurer

**Halverson, Vicky**

*file w/ bill*

**From:** John Schlice [JSCHLICE@ci.stevens-point.wi.us]  
**Sent:** Wednesday, May 02, 2001 5:50 PM  
**To:** rep.Ainsworth@legis.state.wi.us; rep.Jesekewitz@legis.state.wi.us;  
rep.Lasee@legis.state.wi.us; rep.Lehman@legis.state.wi.us;  
rep.MorrisTatum@legis.state.wi.us; rep.Olsen@legis.state.wi.us;  
rep.Owens@legis.state.wi.us; rep.Pocan@legis.state.wi.us; rep.Starzyk@legis.state.wi.us;  
rep.Sykora@legis.state.wi.us; rep.Turner@legis.state.wi.us;  
rep.Ziegelbauer@legis.state.wi.us; Rep.Wood@legis.wi.us  
**Cc:** rep.Lassa@legis.state.wi.us  
**Subject:** AB 335

To: Rep. Lehman , Chairman, Assembly Ways and Means Committee  
Copy: Members of Assembly Ways and Means Committee, Rep. Lassa

I have reviewed AB 335 , and discussed it with members of the Municipal Treasurers Association of Wisconsin at our Spring Conference last week. Under the present format there is not a Municipality in the State of Wisconsin that will adopt this option. There are two major problems: 1. Determining whether a taxpayer paid their taxes on a timely basis in each of the previous five years. Without a major cost in reprogramming this information is not readily available to the Municipal Treasurer. There is currently not a need to maintain those files within the current system as the collection records are turned over to the Counties after Feb 1st for those that collect on the two installment collection and after August 1st for those on the multiple installment basis. 2. Another problem is the three day period, what do you do with the person that comes in a day 4 or day 5. What is magical about 3 ? A deadline is a deadline.

I had a taxpayer at our window today that was in tears because of the interest costs she was being assessed by being one day late. She works nights at a minimum wage job. She insisted that she was never late before and wasn't there a way to have the interest waived just for this one time? She could not understand why she was being charged interest on the installment portion that wasn't even due until July 31st. The over \$200 interest cost will make a negative impact on her family. Each year all of the municipal treasurers have similar experiences, whether the problem was because of medical reasons or a death in the family or some other understandable reason. Normal installment contracts do not issue penalties for installments not currently due, why should we be different?

The solution is simple. Change the current law to read that only the tax installment that is delinquent would be charged interest and or penalties until paid. The remainder of the tax installment plan would remain on a current status until the due date occurred. This is similar to how the law read prior to the Chapter 74 rewrite. The proposal should not reference any timely payments.

Financial Impact: programming costs, if this was adopted for statewide use , a number of software companies will probably make the change without additional cost. By making it uniform statewide, the County Treasurer will only have to deal with one penalty method rather than have some municipalities opt for the plan and some that don't. Loss of late interest fees: I understand that this could be a major impact for some municipalities and counties. I do not believe that a budget should be based on peoples failure to meet deadlines.

I believe that the majority of the Municipal Treasures and Finance Directors would support the solution that is being presented and the taxpayers would benefit by having a "just" penalty not an "excessive penalty". If you wish to punish the procrastinators that do not pay their taxes for multiple years , then I would propose you include a retroactive penalty for those real estate taxes that are delinquent for a period of 13 months and longer. ( 5 % or 10% penalty)

If you have any questions my direct phone is 715-346-1574.

John Schlice  
Comptroller-Treasurer  
City of Stevens Point  
jschlice@ci.stevens-point.wi.us

**Halverson, Vicky**

---

*file  
w/ bill*

**From:** Mary Jean Livermore [maryjl@CO.Saint-Croix.WI.US]  
**Sent:** Wednesday, May 02, 2001 3:44 PM  
**To:** 'Rep.Lehman@legis.state.wi.us'  
**Subject:** AB335

Dear Representative Lehman,  
I am writing to express my concerns regarding AB335. We have 34 municipalities in St. Croix County. We contract with 12 of these municipalities to collect the first half of the taxes for them. My main concern is the timely payment in the previous five years. We keep two years of taxes on our computer system. The other years are in tax roll books, filed separately by year. There is limited staff in the office and I believe searching for the additional four years of taxes not on the computer system would be very time consuming. I estimate that for the 12 municipalities that the County collected for, there were 100 to 150 taxpayers or pieces of mail that would fall into the three business day late category, this number out of 20,000 parcels that were paid on time. There are other issues with the passing of this bill, such as the loss of the interest and penalty revenue, but to me, the tracking is the most critical. As I related to Senator Harsdorf, I am not opposed to finding a solution for the stiff interest and penalties that are currently in effect, but I would hope that tracking payments for five years could be reconsidered. Thank you for your time.  
Mary Jean Livermore  
St. Croix County Treasurer



# MUNICIPAL TREASURERS ASSOCIATION OF WISCONSIN

2408 NORTH 67TH STREET • WAUWATOSA, WISCONSIN 53213  
 414-453-1442 • FAX: 414-453-0526 • E-MAIL: mtaw@execpc.com

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TERRY ESTNESS  
*Executive Secretary*

May 4, 2001

Representative Michael Lehman  
 PO Box 8952  
 Madison WI 53708

Dear Representative Lehman:

By unanimous vote, the Officers and Directors of the Municipal Treasurers Association wish to register opposition to AB335. Our association represents over 600 treasurers throughout the State of Wisconsin.

I am requesting that this letter be read into the minutes of the public hearing.

Members of the association suggest that legislation be drafted that would allow for the taxpayer to pay only the interest and penalties, retroactive to February 1 on the installment missed and continue on the installment plan with multiple payments. This maintains the current payment schedules, but allows some consideration for the taxpayer. It is reminiscent of Chapter 74 before changes were made in 1984.

As treasurers of the State of Wisconsin, we possess an important and intricate position not only in local, but state government as well. We are the ones who must answer to our citizens and explain the changes.

We are asking that your committee receive our suggestions with an open mind and review all areas before making a decision.

I thank you for your time and consideration of this matter.

Sincerely,

Sandra L. Boettcher  
 President  
 Wisconsin Municipal Treasurers Association

May 4, 2001

Committee on Ways and Means

Representative Mickey Lehman, Chairperson - Members- Ainsworth, Jeskewitz, F. Lasee, Olsen, Owens, Starzyk, Sykora, Ziegelbauer, Wood, Morris-Tatum, Turner, and Pocan

Subject: AB335 – Late Installment payments of Property Taxes

The purpose of my letter is to let you know that I **strongly oppose** AB 335. This Bill provides that a property tax payment is not delinquent if paid no later than three business days after the installment is due. In essence, the payment is deemed "late" not delinquent, and is subject to interest and penalties. Passage of this legislation will have detrimental consequences on the property tax payer and the administration of property tax collections and disbursements.

AB 335 eliminates the due date certain feature of the current law that allows citizens to pay prior year taxes by January 31 of the following year. In Rock County, at least 99.9% of the taxpayers have no difficulty meeting the due date for property taxes. I have no doubt that the proposed change will create confusion for the vast majority of property tax payers.

The Bill is silent with regard to an individual who elects to pay taxes within the three day "late" period, but does not include the interest due from February 1<sup>st</sup>. Would that individual be considered delinquent or twice late? The only way an individual could be certain that the proper calculation of interest and penalty are included in a late payment would be contact the Treasurer's Office prior to paying that installment. Nothing addresses the fact that the prior owner paid taxes late in the last 5 years and so the new owner would have to build a payment history before qualifying. What happens if the Mortgage Company pays late or the tax service agency fails to pay the taxes on the proper parcel? Is the owner responsible if the person he sold the property to on Land Contract fails to pay the taxes when due, and the owner has to foreclose?

The Bill says nothing about municipalities with multiple installment dates. Does the "late" allowance apply to all installments?

AB 335 gives local municipalities to which property taxes are paid the flexibility to implement this by ordinance. In Rock County, there are 28 local jurisdictions, which receive property tax payments. The flexibility will result in inconsistent implementation within Rock County, let alone the state of Wisconsin. Many property taxpayers own property in multiple local jurisdictions. The net result will be much confusion for those individuals who own property in more than one local jurisdiction.

And finally, passage of this Bill will place additional cost and administrative burden on my office. The tax receipting software used by my Office would require an extensive and expensive update. Furthermore, AB 335 adds an additional administrative burden on us to verify that a particular taxpayer has not been delinquent in the last five years plus causes a very tight time frame for settlement if this Bill becomes law.

In summary, the present system works fine for the vast majority of the responsible citizens of the State of Wisconsin. Passage of this Bill would offer a questionable benefit to a very small group of people to the detriment of the majority. Therefore, I urge you to vote in opposition to AB 335.

Thank you,

Peggy S. Ross,

Rock County Treasurer

51 S Main

Janesville, WI 53547 Phone: 608-757-5675 Fax: 608-757-5662 E-mail: [peggyr@co.rock.wi.us](mailto:peggyr@co.rock.wi.us)

**Halverson, Vicky**

---

**From:** Jean Morgan [cjeanm@kenosha.org]  
**Sent:** Friday, May 04, 2001 4:07 PM  
**To:** Rep.Lehman@legis.state.wi.us; Rep.Starzyk@legis.state.wi.us; Rep.Kreuser@legis.state.wi.us;  
Rep.Pocan@legis.state.wi.us  
**Subject:** Assembly Bill 335

I urge you to vote against this Assembly Bill. We have always had a few taxpayers that will pay their taxes late. It has been simple to explain to them that the due date is January 31.

If this Assembly Bill passes, I would have to explain to the taxpayer that they are not delinquent, but I still have to charge them interest and penalty. This statement is contradictory.

It would then be very time consuming to check back five years to see if their taxes were paid timely. If we discover that they did pay them on a timely basis, but last year they paid them in full, rather than by installments, they would then not qualify for the "late payment".

Think about it. If you were in that situation, wouldn't you be very agitated. I know that I would. I am going to be penalized because I paid my taxes, on time, in full, rather than by installments.

It appears also that if they made a "late payment" in January, they could also qualify for a "late payment" on subsequent installments in that year. That does not seem fair.

Again, I urge you to keep things simple. The rules on paying taxes have been the same for many years, and people understand the consequences of paying late.

--  
Jean Morgan-City Clerk/Treasurer  
City of Kenosha  
Phone 262-653-4020: Fax 262-653-4023  
Population: 87,664



# DANE COUNTY TREASURER

City-County Building, Room 114  
210 Martin Luther King, Jr. Boulevard, Madison, Wisconsin 53709  
Telephone (608) 266-4151 • TDD (608) 266-4121

**DAVID M. GAWENDA**  
TREASURER

**LOIS MUELLER**  
DEPUTY TREASURER

TESTIMONY OF DANE COUNTY TREASURER DAVE GAWENDA BEFORE THE  
ASSEMBLY WAYS & MEANS COMMITTEE  
MAY 9, 2001

Good morning. Thank you for this opportunity to address the committee on **AB 335**.

As a county treasurer in his first term, and one who came from the legislative branch, at that, I am sympathetic to what you are trying to achieve. That doesn't diminish, of course, the concerns of my more experienced colleagues from around the state.

I can support the institution of a three day grace period, but please don't add the administrative burdens present in the current proposal.

I'd like to address the specific parts of this bill that would make the administration of both the bill and our larger duties very difficult.

First, the bill would allow municipalities to "opt in" to the grace period. It is not clear, however, whether the administration of the grace period would be by the municipality or the county. The municipalities (of which there are 61 in Dane County) are responsible for collecting the first installment of the property tax; this installment needs to be paid by January 31<sup>st</sup>. Payments may be considered timely if they are postmarked by the 31<sup>st</sup>, even if they are received by the treasurer within the first few days of February. The taxes are then paid by the municipalities to the county, state, school systems, and technical schools by February 20<sup>th</sup>, as per Wisconsin state statute. If the administration of the grace period is to be done by the municipality, you are taking the work of approximately fifteen working days and adding tasks to that already compressed time period. This makes it even harder for these local treasurers to meet their statutory deadline. And please be aware that particularly in the townships (of which there are 34 in Dane County), the job of treasurer is often performed by part-time or volunteer labor. (We had a number of new town treasurers elected in Dane County last month. Not one of those candidates was opposed. I would submit that reflects what a thankless job it is being a town treasurer.) All of this suggests to me that the county treasurer's office should administer the grace period, if there is going to be one. But then you complicate the job by allowing each municipality to decide on a grace period. The simplest approach would be to make a grace period statewide or decided at the county level.

Second, the bill would grant the grace period only to taxpayers who have not been delinquent in the last five years. I can appreciate the implied intent to apply the grace period to those who are seldom late, as opposed to the inveterate procrastinators. However, this introduces the most difficult part of administering this bill. Municipalities

would have no way of knowing whether a taxpayer was delinquent with his second installment of taxes (normally collected by the county and due by July 31<sup>st</sup>). I'm not even sure it would be easy for municipalities to retrieve payment histories for the last five years for the first installment on taxes that they do collect. (Again, please remember the situation in some of the townships where these records are still kept by hand.) Even when we assume that the county with its full-time staff and computerization would administer the grace period, I know that in Dane County our computer system would not allow us to go back five years. This would require us to do a search on microfiche for every potential application of the grace period. Also, here are some finer points of the delinquency issue which aren't addressed in the proposal: if a taxpayer owns multiple parcels and is delinquent on one, would the grace period be lost on all of their parcels? if that property has changed ownership within the last five years, does the delinquency record follow the property or the owner? And if the record follows the owner, how do the treasurers ascertain the payment promptness for those parcels previously owned by the taxpayer? In my mind, it would make much more sense to just drop the requirement regarding the five year history. What you lose by opening the window a little more for procrastinators, you lose by making the administration so difficult.

Third, let's talk about the procrastinators. Do any of us believe that with a three day grace period, we will no longer have as many late payments? I think that I will be having almost as many phone conversations with upset taxpayers, but instead of those conversations taking place February 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>, they'll take place February 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup>. Dane County has almost 200,000 parcels. Our delinquency rate is approximately 1 ½ %. If we focus on those late payments we receive within three days of the deadline, we are looking at a tiny fraction of that 1 ½ %. Doesn't it seem like in awful lot of trouble for the very few, when almost 99% of the taxpayers make sure they have their taxes paid on time?

As I said at the outset, I can support the notion of a three day grace period. That taxpayer would still pay the 1 ½ % interest and penalty. But it is very difficult to explain to anyone who is one day late that they now can no longer postpone the second half of their taxes or, in the case of a second payment, have to pay 10 ½% in interest and penalty. But why not leave it at that? It doesn't make sense to add all these complications, to have different municipalities have different policies, to have no way of easily determining if a taxpayer complies with the criteria.

Thank you again for the opportunity to speak to you this morning. Please let's work together for the good of the taxpayer and come up with a common sense remedy for what really is a relatively rare occurrence.

# Office of the Treasurer Dodge County



127 East Oak Street • Juneau, Wisconsin • 53039 • (920) 386-3782 • Fax (920) 386-3545

**Karen E. Freber**  
County Treasurer

**Margaret A. Schwamn**  
Chief Deputy Treasurer

**Marlene K. Cigelske**  
Deputy Treasurer

**Judy J. Schouten**  
Deputy Treasurer

May 8, 2001

Rep. Lehman, Chair  
Members of the Ways & Means Committee

Regarding: AB335

I am representing the County Treasurer's Association and the Executive Committee of the Dodge County Board of Supervisors, when I oppose AB335. The reason I am opposing this bill is because it is helping only a very small percentage of taxpayers in Dodge County not even a half of one percent. To change the law for only a small percentage of taxpayers does not seem fair to me. In my county the local municipalities turn over all their tax records to my office for keeping the tax receipts for 15 years per State Statutes. It would be my staff that would be responsible to determine if these taxpayers qualify for the municipality's late ordinance. I also have forty- four municipalities in Dodge County, so it could be a very serious problem with inconsistencies. Taxpayers in Dodge County cross-township lines all the time, so they could easily qualify in one township and not in the other. I share City and Villages with other counties so the same inconsistencies could arise there also. I have the capability to look up five years receipts on my computer program but I am sure many other counties do not have this capability and it would mean computer program changes. I do not have a program to accommodate the July ordinance because my program for tax receipting goes back to February 1 to collect interest if taxes become delinquent. This major computer change would cost Dodge County and it's taxpayers.

Changing this law will not make any difference; we will have more problems explaining to people why they qualify this year and not next year or in three years. People will still be late because they will be four or five days late. You will never please everyone and be able to fit every reason for being late into any type of a magic formula to be fair and equitable to all taxpayers in the State of Wisconsin. Every municipality in the State of Wisconsin has the same due dates for paying taxes on time and the same penalties for being late. We need to keep this consistency to be fair and equitable to all taxpayers in the state.

Please give this bill serious thought and vote NO.

Thank you,

Karen E. Freber, Dodge County Treasurer

## Halverson, Vicky

---

**From:** Marilyn Sheahan [msheahan1@buffalocounty.com]  
**Sent:** Tuesday, May 08, 2001 2:41 PM  
**To:** 'rep.lehman@legis.state.wi.us'  
**Subject:** AB335 Grace Period

Dear Rep. Lehman:

I would like to express my strong opposition to bill AB335 regarding a grace period for property tax payments. The administration of such a bill would create staffing problems for most of our counties, and cause delays in our settlements. It is hectic now getting our settlements done in a timely manner, but taking 3-5 days away from us would create many problems. The other point I would like to make is that if this were to pass, it wouldn't be long before someone would feel that a grace period was needed for the grace period. We do not look at the interest and penalties as a budget item - we do everything we can to remind people to get them paid on time to avoid penalties and interest. We have always had radio and newspaper ads reminding people in July that the date is fast approaching, and this year will also send reminders in June - which will cost about \$1300 in our small county.

Thank you for your time in reading my e-mail, and I hope you will understand our position about this issue.

Marilynn Sheahan  
Buffalo County Treasurer  
407 S Second St  
P O Box 28  
Alma, WI 54610  
608/685-6215



# COUNTY OF KENOSHA TREASURER'S OFFICE

Frieda M. Jacobson  
Kenosha County Treasurer

1010 56th Street  
Kenosha WI 53140-3738  
Phone (262) 653-2542  
Fax (262) 653-2564  
FJacobson@co.kenosha.wi.us

Pamela R. Maloney  
Chief Deputy Treasurer

May 7, 2001

Rep. Lehman, Chair  
Members of the Ways & Mean Committee

Re: AB335

I am here today to testify in opposition to AB335. On the surface this seems to be a fair and proper thing to do for the taxpayers in our state. Unfortunately when you dig deeper and look at the facts, it is not. There is a very small percentage of the people each year that do not pay their taxes in a timely manner but pay within 3 days. In my case I'd say well under 1%. To change the law for a very small percentage of the people will require a number of changes of both the municipal and the county level that will be costly to all of the taxpayers. Most municipalities do not retain payment histories, counties are required to by law. Counties have the ability to determine if payments have been late, on a specific property, in previous years but in most cases this will require considerable time and research. Most offices are tightly staffed and it would be a real hardship to take on this task at the busiest time of the year. Additionally, in almost all cases computer programs would have to be altered or new ones purchased to accommodate these changes.

A larger concern is the inconsistencies that would result from this change. For instance if the County is charged with collecting payments after Feb. 1. Two constituents could be at my counter at the same time. One would get the break, the other would not.. Do you realize how bad that would make us look and we would have no control over the situation. If you are determined to pass this, please make it mandatory and consistent statewide.

If the municipality collects these delayed payments, settlements would be delayed. In counties with large numbers of municipalities, this could make it extremely difficult if not impossible to complete them by the state mandated deadline.

How do you make taxpayers understand that they can't get a break because they have owned their home for 4 years but the guy across the street can because he owned his for 5 years? What if I owned a home for 40 years and paid timely every year, then I sold it and bought a new one and missed the deadline by one day on the new home. Do I qualify for the break? What if the first home was in another municipality or county? Do I qualify then?

Do you really think that making this change will eliminate the problem? We'll have the same thing from the people that come in on the 4<sup>th</sup> or 5<sup>th</sup> day or are a few months short of having 5 years of payment histories. People are always going to miss deadlines. It's a fact of life and there is nothing any of us can do to change that. Why change something that is already a difficult situation if there is no good resolution and the change will only cloud the picture more? Please give this serious thought and vote NO.

Thank You,  
Frieda M. Jacobson, Kenosha County Treasurer

COUNTY TREASURER'S OFFICE

***BROWN COUNTY***

305 EAST WALNUT

P.O. BOX 23600

GREEN BAY, WISCONSIN 54305-3600

PHONE (920) 448-4074 FAX (920) 448-6341

**KERRY M. BLANEY**

COUNTY TREASURER

May 9, 2001

Michael A. Lehman  
Chairman – Ways & Means Committee  
State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952

**RE:           Comments on Assembly Bill 335 – Grace Period**

Dear Chairman Lehman:

I have been the Brown County Treasurer for the past 12 years and have first hand experience handling tax payments deadline dates. Brown County collects first installment property taxes for the majority of the taxpayers in the county. Through our experience regardless what the deadline date is, there will be always people who will be late in paying their taxes. The number of late payments will not decrease by giving taxpayers and extension of time.

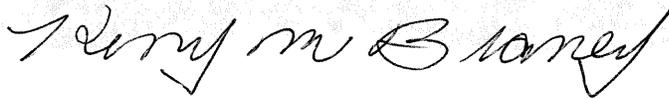
I strongly oppose this proposed bill for the following reasons:

- Tax bills are sent out approximately six weeks before the due date. There is plenty of publicity about the due dates when tax bills are mailed out.
- 99.9% of taxpayers pay their bills on time, many of them before the due date.
- A grace period would encourage taxpayers to take a risk and to pay their tax bills late.
- Why penalize 99.9% of taxpayers, who with good faith pay their tax bills on time.
- We as Treasurers strongly believe in uniformity of tax collections laws.
- This bill would leave it up to individual municipality to enact the grace period. Our county collects taxes for 13 municipalities. Many taxpayers make one payment for taxes for properties located in several municipalities. Under this proposal some of the payments would be considered timely and others delinquent. This also would occur for taxpayers who own more than one property in the State.

- Also one of the stipulations of allowing the grace period is if the taxpayer made timely payments in the last five years. With limited computer storage, once a tax year payment has been paid in full, the tax record is removed from our file. We would have to do extensive research to determine if a taxpayer paid on time for the past five years. Also the municipal treasurer in almost all cases would not have the information available to determine a taxpayer payment history. We are extremely busy at this time of the year trying to complete our settlements with all the taxing jurisdictions.
- Extending the deadline date would make it more difficult for us to complete the settlement by February 20<sup>th</sup> of each year. We would have to ask for an extension of the settlement time period. The largest portions of the collections are paid to the school districts. We suggest that you discuss this with the School districts if there are in favor of receiving their settlement amounts at a later date.
- Also the State has self-imposed statutes for deadline dates. Counties must pay their settlement amounts on March 15<sup>th</sup> and August 20 of each year. If we miss this deadline date, interest charges are levied immediately. Some County Treasurers had to pay the State late charges for missing the deadline date one day. Also the State has no grace period for taxpayers who pay their income taxes late.

For the above reasons, I strongly opposed this bill. Please be sensitive to us who have to deal with this on a day in and day out basis. We thank you for taking time to listen to our needs.

Sincerely,



Kerry M. Blaney  
BROWN COUNTY TREASURER



**BOB ZIEGELBAUER**

STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

To: Andrew From: Sparks Date: 7/26/01

In response to your recent request.

I thought you might be interested in the enclosed material.

Other letter we sent to our County Board (Manitowoc) and

will be sending a similar letter to the other counties she

send us a call soon.

STATE CAPITOL: P.O. BOX 8953, MADISON, WI 53708-8953 • (608) 266-0315 • TOLL FREE : 1-888-529-0025

FAX (608) 266-0316 • E-MAIL: bob.ziegelbauer@legis.state.wi.us

DISTRICT: 1213 S. 8TH STREET, P.O. BOX 325, MANITOWOC, WI 54221-0325 • MANITOWOC OFFICE: (920) 684-6783 • HOME: (920) 684-4362

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BOB ZIEGELBAUER

STATE REPRESENTATIVE • TWENTY FIFTH ASSEMBLY DISTRICT

July 26, 2001

Mr. Dan Fischer, County Clerk  
Manitowoc County  
1010 S. 8<sup>th</sup> Street  
Manitowoc, WI 54220

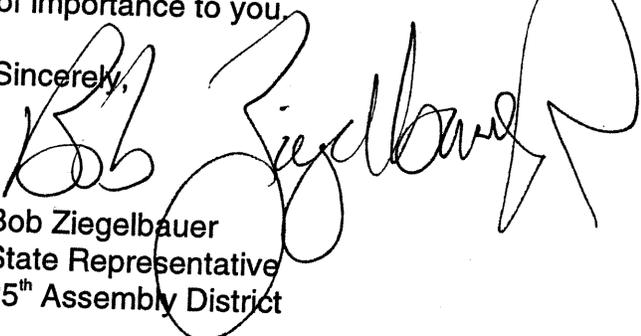
Dear Dan:

Thank you for sending me a copy of Resolution 2001/2002-67 communicating our County Board's position in support of County Treasurers throughout the State who want to maintain the current tax collection system which "clips" those "sucker" taxpayers who have the audacity to be a day or two late with their property tax payment with penalties which can amount to **300, 400 or even 500+%!!!** in APR interest on their late payments. (See attached chart of these penalties under current law.)

I will keep your views in mind.

As always, please do not hesitate to call on me with any additional thoughts you may have on this or on any other matter of importance to you.

Sincerely,

  
Bob Ziegelbauer  
State Representative  
25<sup>th</sup> Assembly District

cc: Mickey Lehman  
State Representative

Jennifer Sunstrom  
Wisconsin Counties Association  
100 River Place, Suite #101  
Monona, WI 53716

STATE CAPITOL: P.O. BOX 8953, MADISON, WI 53708-8953 • (608) 266-0315  
TOLL FREE: 1-888-529-0025 • FAX (608) 266-0316 • E-MAIL: bob.ziegelbauer@legis.state.wi.us

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MANITOWOC OFFICE: (920) 684-6783 • HOME: (920) 684-4362

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**1999 Assembly Substitute Amendment 1 to AB 89 – IMPACT of the SUBSTITUTE AMENDMENT**  
Revised 3/23/99

Assume a \$2,000 tax bill when an installment is paid 7 days (5 working days) late:

Effective Annual Percentage Rate (A.P.R.) Cost of Penalties for late payment of Property Taxes  
Assuming a 365-day year

**2 PAYMENT PLAN**

<u>Due Date &amp; Amount</u>	<u>CURRENT LAW</u>	<u>SUB 1 to AB 89</u>
1 <sup>st</sup> Payment, 1/31 - \$1000	<u>Interest Penalty</u> \$20 * Plus loss of installment option	<u>Interest Penalty</u> \$10 And Retain installment option
Final Payment 7/31 - \$1000	<u>A.P.R. Effective Cost</u> 104% 365%	<u>A.P.R. Effective Cost</u> 52% 365%
		No change from current law

**4 PAYMENT PLAN**

<u>Due Date &amp; Amount</u>	<u>CURRENT LAW</u>	<u>SUB 1 to AB 89</u>
1 <sup>st</sup> Payment, 1/31 - \$500	<u>Interest Penalty</u> \$20 * Plus loss of installment option	<u>Interest Penalty</u> \$5 And Retain installment option **
2 <sup>nd</sup> Payment, 3/31 - \$500	<u>A.P.R. Effective Cost</u> 208% 469%	<u>A.P.R. Effective Cost</u> 52% 156%
3 <sup>rd</sup> Payment, 5/31 - \$500	<u>Interest Penalty</u> \$45 * Plus loss of installment option	<u>Interest Penalty</u> \$15 And Retain installment option **
Final Payment, 7/31 - \$500	<u>A.P.R. Effective Cost</u> 521% 365%	<u>A.P.R. Effective Cost</u> 260% 365%
		No change from current law **

\* Impact of loss of installment option means that an ADDITIONAL interest penalty of 1% on the UNPAID BALANCE accrues with the passage of each additional month.

\*\* **Sub 1 to AB 89 – 5-DAY GRACE PERIOD:**

Pay penalty in current law on late installment only within 5 working days. No penalty on balance not otherwise due, and retain installment option for the balance of the year.



202 State Street  
Suite 300  
Madison, Wisconsin 53703-2215

608/267-2380  
800/991-5502  
Fax: 608/267-0645

E-mail: [league@lwm-info.org](mailto:league@lwm-info.org)  
[www.lwm-info.org](http://www.lwm-info.org)

**To: Representative Michael Lehman, Chair, Assembly Ways and Means Committee  
Members of Assembly Ways and Means Committee**

**From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities**

**Date: July 20, 2001**

**Re: Opposition to Assembly Bill 335, Relating to Late Payments of Property Taxes**

On May 7<sup>th</sup>, the Assembly Ways and Means Committee held a public hearing on AB 335. The League did not submit testimony on the bill at the hearing. However, since that time our Board of Directors has met and taken a position in opposition to AB 335.

While we understand that AB 335 creates an option, rather than a mandate, for municipalities to enact ordinances allowing property tax payments to be three days late without being considered delinquent, we are concerned that such legislation would lead to administrative confusion.

Counties typically collect late-paid and delinquent taxes. We are concerned that the bill would lead to significant administrative difficulties for county treasurers who would be forced to deal with numerous municipalities that may or may not have enacted the three-day grace period. We believe retaining a uniform due date for installment payments on property tax bills makes administrative sense.

Thanks for your consideration.