



WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO

2003 Assembly Bill 54

Assembly Substitute
Amendment 1 and Assembly
Amendment 1 to the Substitute
Amendment

Memo published: March 10, 2003

Contact: Don Dyke, Senior Staff Attorney (266-0292)

Under **current law**, the following requirements apply to the sale of tax delinquent real property that has been acquired by a county,* other than Milwaukee County: (1) public notice (Class 3 notice -- three insertions) must precede the sale and must include the appraised value of the property; and (2) the county must reject every bid that is less than the property's appraised value but the county may accept the bid "most advantageous to it." Section 75.69 (1), Stats. Current law also authorizes a county to sell real property previously advertised for sale, without readvertising, for an amount equal to or above the appraised value.

The **substitute amendment** authorizes a county to sell tax delinquent real property that was previously advertised for sale for **any** amount if: (1) public notice of the sale is given by the publication of a Class I notice (one insertion); (2) if the property is sold for less than the property's appraised value, the county board or a committee designated by the county board reviews and approves the sale; and (3) if the property is sold for less than the highest bid, the county board or committee designated by the board prepares a written statement, available for public inspection, explaining the reasons for accepting a bid less than the highest bid.

The substitute amendment revises the original bill in the following ways: (1) requires the notice for advertising the subsequent sale to be a Class I, rather than Class III, notice and clarifies that the subsequent notice need not include the appraised value of the real property; (2) substitutes "county board or committee designated by the county board" for "county finance committee" in connection with functions when property is sold for less than appraised value or less than the highest bid; and (3) eliminates the definition of "appraised value" (defined in the original bill as the value determined by a certified appraiser).

*The City of Milwaukee is also authorized to acquire and sell tax delinquent property and is subject to these requirements by operation of s. 75.06, Stats.

Assembly Amendment 1 to the substitute amendment defines "appraised value," for purposes of the provision on sales of tax delinquent property, as the value determined, at the discretion of the county board, by the county board, a committee designated by the county board, or a certified appraiser, as defined in s. 458.01 (7), Stats. Currently, the term is undefined.

Both Assembly Substitute Amendment 1 and Assembly Amendment 1 to the Substitute Amendment were introduced by the Assembly Committee on Urban and Local Affairs. The Assembly Committee on Urban and Local Affairs recommended adoption of each amendment by a vote of Ayes, 8, Noes, 0 on March 4, 2003.

DD:jal:ksm;tl



WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2003 Wisconsin Act 123
[2003 Assembly Bill 54]

Sale of Tax Delinquent Property
Below Appraised Value

2003 Acts: www.legis.state.wi.us/2003/data/acts/

Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

2003 Wisconsin Act 123 addresses the authority of a county to sell tax delinquent property below the appraised value of the property.

The following current requirements apply to the sale of tax delinquent real property that has been acquired by a county* (other than Milwaukee County): (1) public notice (Class 3 notice--three insertions) must precede the sale and must include the appraised value of the property; and (2) the county must reject every bid that is less than the property's appraised value but the county may accept the bid "most advantageous to it." Section 75.69 (1), Stats. A county is authorized to sell real property previously advertised for sale, without readvertising, for an amount equal to or above the appraised value.

Act 123:

- Defines "appraised value" for purposes of these provisions as "the value determined, at the discretion of the county board, by the county board, a committee designated by the county board, or a certified appraiser"
- Authorizes a county to sell tax delinquent real property that was previously advertised for sale for **any** amount, subject to all of the following: (a) public notice of the sale is given by the publication of a Class 1 notice (one insertion); (b) if the property is sold for less than the property's appraised value, the county board or a committee designated by the county board reviews and approves the sale; and (c) if the property is sold for less than the highest bid, the

* The City of Milwaukee is also authorized to acquire and sell tax delinquent property and is subject to those requirements through the operation of s. 75.061, Stats.

This memo provides a brief description of the Act. For more detailed information,
consult the text of the law and related legislative documents.

county board or a committee designated by the county board prepares a written statement, available for public inspection, explaining the reasons for accepting a bid less than the highest bid.

Effective Date: The Act takes effect on February 21, 2004.

Prepared by: Don Dyke, Chief of Legal Services

February 9, 2004

DD:wu:jal

Gilbert, Melissa

From: Vick, Hannah
Sent: Monday, September 29, 2003 2:32 PM
To: Gilbert, Melissa
Subject: FW: AB 54 - Request for a Hearing

-----Original Message-----

From: David Krahn [mailto:dkrahn@waukeshacounty.gov]
Sent: Monday, September 29, 2003 1:26 PM
To: sen.brown@legis.state.wi.us
Cc: sen.reynolds@legis.state.wi.us
Subject: AB 54 - Request for a Hearing

Dear Senator Brown:

On behalf of Waukesha County, I respectfully request that you hold a hearing on AB 54 - sale of tax delinquent property. The bill was approved by the assembly on a voice vote on April 29th. AB 54, if it were to become law, would expedite the sale of tax delinquent properties, get them back on the tax rolls and help to reduce the overall property tax burden.

Your assistance in this matter will be much appreciated.

Thank you!

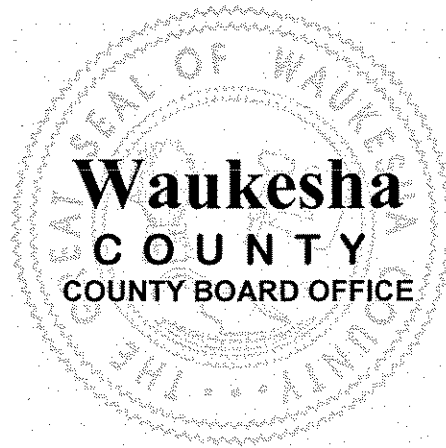
Dave Krahn

Legislative Policy Advisor

Waukesha County Board

262.548.7922

dkrahn@waukeshacounty.gov



October 6, 2003

TO: Senator Ron Brown
Members of the Senate Committee on Homeland Security

FR: Dave Krahn
Legislative Policy Advisor

RE: **ASSEMBLY BILL 54 – Sale of Tax Delinquent Property**

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

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

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

The intent of AB 54 is to make it easier for counties that have acquired properties by tax deed or foreclosure to sell properties that are not marketable at appraised value. Current law does not permit sale for less than appraised value. Ease of sale allows these properties to get back on the tax rolls (they are tax exempt as long as the county is the owner) and allows the county to wholly or at least partially recoup the money invested due to settlement with the municipalities and other taxing jurisdictions.

It should be noted that state statutes do allow Milwaukee County the option to sell for less than appraised value.

Enactment of AB 54 would not cost state monies and would benefit the property taxpayer.

Waukesha County urges you to support Assembly Bill 54.

Thank you!