



2005 SENATE BILL 277

August 3, 2005 - Introduced by Senators CARPENTER and TAYLOR, cosponsored by Representative ALBERS. Referred to Committee on Housing and Financial Institutions.

1 **AN ACT to amend** 138.052 (5m) (b) 3. b. of the statutes; **relating to:** payment of
2 property taxes from residential mortgage escrow accounts.

Analysis by the Legislative Reference Bureau

Under current law, with certain exceptions, if a financial institution (a bank, credit union, savings and loan association, savings bank, or mortgage banker) requires an escrow to assure the payment of property taxes in connection with a residential mortgage loan (generally, a loan secured by a first lien real estate mortgage used to purchase a one-family to four-family dwelling that is used by the borrower as a principal residence), the borrower may elect between various options for payment of property taxes from the escrow account. Under one option, the borrower may require the escrow agent to pay the property taxes directly by December 31 if the escrow agent has received a tax statement for the property by December 20.

This bill specifies that, if the escrow agent pays property taxes directly to a city that, by its charter, may sell land for nonpayment of taxes and that is authorized to collect the payment of property taxes directly, the payment must be made to and received by the city treasurer on or before December 27 rather than December 31.

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

3 **SECTION 1.** 138.052 (5m) (b) 3. b. of the statutes is amended to read:

