

2013 DRAFTING REQUEST

Bill

Received: 7/9/2013 Received By: jkreye
Wanted: As time permits Same as LRB:
For: Timothy Cullen (608) 266-2253 By/Representing: kelley
May Contact: Drafter: jkreye
Subject: Tax, Property - other Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Cullen@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Reduced penalties and interest on delinquent property taxes

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 7/10/2013			_____			
/P1	jkreye 2/5/2014	scalvin 7/22/2013	rschluet 7/23/2013	_____	mbarman 7/23/2013		State S&L
/P2	jkreye 2/14/2014	scalvin 2/10/2014	rschluet 2/11/2014	_____	srose 2/11/2014		State S&L
/1		scalvin	jmurphy	_____	lparisi	lparisi	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		2/14/2014	2/14/2014	_____	2/14/2014	2/14/2014	S&L

FE Sent For:

A hand-drawn circle containing a small circle with the letter 'a' inside it, and the word 'INTRO' written below it.

<END>

2013 DRAFTING REQUEST

Bill

Received: **7/9/2013** Received By: **jkreye**
Wanted: **As time permits** Same as LRB:
For: **Timothy Cullen (608) 266-2253** By/Representing: **kelley**
May Contact: Drafter: **jkreye**
Subject: **Tax, Property - other** Addl. Drafters:
Extra Copies: *Please jacket about jre*
Submit via email: **YES**
Requester's email: **Sen.Cullen@legis.wisconsin.gov**
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Reduced penalties and interest on delinquent property taxes ✓

Instructions:

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/P1	jkreye 2/5/2014	scalvin 7/22/2013	rschluet 7/23/2013		mbarman 7/23/2013		State S&L
/P2		scalvin 2/10/2014	rschluet 2/11/2014		srose 2/11/2014		State S&L
		<i>1 sac 02/14/2014</i>	<i>1 sac 02/14/2014</i>	<i>JK 2/14</i>			

FE Sent For:

<END>

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Topic:

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/?	jkreye 7/10/2013						
/P1		scalvin 7/22/2013	rschluet 7/23/2013		mbarman 7/23/2013		State S&L

FE Sent For: /P2 sac 02/10/2014 /P2 sac 02/10/2014
 JK
 <END>

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Subject: Tax, Property - other Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email: Sen.Cullen@legis.wisconsin.gov
Carbon copy (CC) to: joseph.kreye@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Reduced penalites and interest on delinquent property taxes ✓

Instructions:

See attached

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/? jkreye

PI sac
07/22/2013

PK 11

FE Sent For:

<END>

Kreye, Joseph

From: Flury, Kelley
Sent: Tuesday, July 09, 2013 10:18 AM
To: Kreye, Joseph
Subject: Reduced penalty for late property tax payment

Hi Joe,

74.47

I am back to work on this bill. What we discussed in our previous correspondence was to draft a bill that says senior citizens who are late in their property tax payments shall be charged one-half percent interest per month (not one percent) and shall not be charged the additional county-optional half percent penalty.

You noted that targeting it to senior citizens could be challenged as a violation of the equal protection guarantee because it treats similarly situated taxpayers differently based solely on their age.

So I've decided we should base it on ability to pay. The criteria for ability to pay would be the County Very Low Income level, which is 50 percent of county median income. (This is the eligibility criteria that WHEDA was considering using for the property tax loan deferral program.)

When a county notifies a taxpayer that their property taxes are late, and the interest and penalty will be added, the county would have to notify the taxpayer that if they are at or below the County Very Low Income level, they could apply for financial hardship status, and the reduced interest rate would apply if the taxpayer shows proof of income.

Feel free to call to discuss.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

Kreye, Joseph

From: Kreye, Joseph
Sent: Tuesday, June 04, 2013 4:09 PM
To: Flury, Kelley
Subject: RE: Request for bill draft

Kelley,

There are lot of examples of the use of the term "financial hardship" but not a lot of guidance as to what that means. The statutes, generally, leave it the appropriate agency to determine financial hardship for purposes of granting some sort of state benefit.

The administrative rules provide a little more guidance, such as this from the DCF chapter:

DCF 56.05(5)(c)5.

5. Documentation that payment of the insurance premium would cause undue financial hardship for the foster parent or applicant as evidenced by any of the following:

DCF 56.05(5)(c)5.a.

a. The foster family or applicant is a participant in the Wisconsin Works program under ss. 49.141 to 49.161, Stats.

DCF 56.05(5)(c)5.b.

b. The foster parent or applicant is receiving supplemental security income under 42 USC 1381 to 1383d.

DCF 56.05(5)(c)5.c.

c. The foster family's or applicant's income is at or below the minimum family budget determined by the department for purposes of administering the uniform fee system under ch. DHS 1.

There's also this from the ETF chapter:

ETF 70.10(1)(a)

- (a) As defined in 26 USC 457 (b) (5) and 26 CFR 1.457-2 (h) (4), an unforeseeable emergency is one which causes severe financial hardship to the participant or beneficiary as a result of a sudden and unexpected illness or accident of the participant or beneficiary or of a dependent of the participant or beneficiary, loss of the participant's or beneficiary's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

This from DHS:

DHS 120.14(1)(e)5.

5. The department may grant an exception to the requirements in subd. 1. or 2. [submitting certain data electronically] to a physician who submits an affidavit of financial hardship and supporting evidence demonstrating financial inability to comply with the requirements.

There is also this provision in DNR rules that focuses on the income of a well owner:

NR 738.09(2)(c)

(c) If the department grants a financial hardship variance to allow payment of costs toward a permanent replacement water supply, payment shall be based on the following:

NR 738.09(2)(c)1.

1. If the annual family income of the well owner is 50% or less of the county median income for the county in which the residence is located, as determined in accordance with s. NR 123.20, the department may pay 100% of the remaining eligible costs which are not covered by an award under s. NR 123.24, less a deductible amount of \$250.
NR 738.09(2)(c)2.
2. If the annual family income of the well owner is more than 50% but not more than 75% of the county median income for the county in which the residence is located, as determined in accordance with s. NR 123.20, the department may pay 50% of the remaining eligible costs which are not covered by an award under s. NR 123.24, less a deductible amount of \$250.
NR 738.09(2)(c)3.
3. Notwithstanding sub. (2), if an award or a proceed notice has been issued under s. NR 123.23, and if the well owner's share of eligible costs for the permanent replacement water supply exceeds 25% of the annual family income of the well owner, the department may pay the remaining eligible costs which are not covered by an award under s. NR 123.24, less a deductible amount of 5% of the annual family income. The department may pay the greater of the costs under sub.(1) or (2) or this paragraph.

I hope this helps. I know it's a lot to digest.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Flury, Kelley
Sent: Tuesday, June 04, 2013 3:16 PM
To: Kreye, Joseph
Subject: RE: Request for bill draft

Joe, are there examples elsewhere in the statutes of factors that are considered when determining financial hardship?

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

From: Kreye, Joseph
Sent: Tuesday, June 04, 2013 10:39 AM
To: Flury, Kelley
Subject: RE: Request for bill draft

Kelley,

I think you can give the counties authority to also reduce the interest rate on delinquent amounts. However, when it comes time for the county to settle with the taxing jurisdictions for the payment of delinquent taxes and interest, the taxing jurisdictions will also receive reduced amounts. You could have the county alone absorb the loss of the interest income, but that may act as a disincentive for the county to reduce interest payments.

You certainly can leave it to the county's discretion to determine what constitutes a hardship, if you're comfortable with that. Or you could list factors that the county should consider when making that determination.

Joe

Joseph T. Kreye

Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Flury, Kelley
Sent: Tuesday, June 04, 2013 10:23 AM
To: Kreye, Joseph
Subject: RE: Request for bill draft

Hi Joe,

Can we make it so that counties can waive the additional penalty AND cut the interest in half for taxpayers who can show financial hardship? Do we just leave it up to the counties to determine what constitutes financial hardship?

Kelley Flury

Office of Sen. Tim Cullen
608-266-2253

From: Kreye, Joseph
Sent: Tuesday, June 04, 2013 9:41 AM
To: Flury, Kelley
Subject: RE: Request for bill draft

Kelley,

The bigger problem is that the mechanism you suggest is susceptible to a challenge as a violation of the equal protection guarantees under Article I of the state constitution and under section 1 of the 14th amendment to the U.S. constitution. The issue is that the proposed change treats similarly situated taxpayers differently based solely on the taxpayer's age, without regard to other relevant factors such as the taxpayer's ability to pay. A court could find that such a classification is arbitrary and not a reasonable distinction on which to base waiving a penalty.

It may be better to simply allow the county to waive the additional penalty if the taxpayer can show a hardship.

Joe

Joseph T. Kreye

Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Flury, Kelley
Sent: Monday, June 03, 2013 4:36 PM
To: Kreye, Joseph
Subject: Request for bill draft

Hi Joe,

We would like a bill that changes 74.47 so that any person 65 or older who pays their property taxes late can only be charged a half percent interest per month or fraction of a month, and cannot be charged the optional half percent penalty.

The only thing I'm trying to figure out is how the treasurer offices would now how old the taxpayer is. What I came up with is: On property tax bills, treasurers would have to inform the taxpayer that the interest is half percent for persons 65 and older, and the taxpayer would have to prove their age to the treasurer's office. Please let me know if you have any questions.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

2. The department shall issue the award under this paragraph without regard to fault for each home oil tank system in an amount equal to 75% of the amount of the eligible costs, except that, if the home oil tank system is owned by a nonprofit organization that provides housing assistance to families with incomes below 80% of the median family income, as determined annually by the U.S. department of housing and urban development for each county in the state, of the county in which the home oil tank system is located, then the award shall equal 100% of the amount of the eligible costs. The department shall recalculate any award made to such a nonprofit organization under this paragraph before May 7, 1994, based on 100% of eligible costs and shall issue an award for the difference between the award as recalculated and the award issued before May 7, 1994.

(b) Except as provided under par. (d), annual family income shall be based upon the adjusted gross income of the landowner or lessee and the landowner's or lessee's spouse, if any, as computed for Wisconsin income or franchise tax purposes for the taxable year prior to the year in which the claim is made. The county median income shall be determined based upon the most recent statistics published by the federal department of housing and urban development for the year prior to the year of the enforcement order.



PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 7-10-13

D-N

gen conf

1 AN ACT *gen conf*; relating to: reducing the interest and penalty imposed on delinquent
2 property taxes.

Analysis by the Legislative Reference Bureau

an Under current law, the interest rate on delinquent property taxes is 1 percent of the delinquent amount for every month that the taxes are delinquent. In addition, a county or 1st class city may enact ⁽ⁱⁿ⁾ ordinance to impose a penalty on delinquent property taxes equal to 0.5 percent of the delinquent amount for each month that the taxes are due.

Under this bill, the county or 1st class city must reduce the interest rate imposed on delinquent taxes from 1 percent a month to 0.5 percent a month and waive the additional penalty if the taxpayer submits evidence to the county board or the city's common council that shows that the taxpayer's adjusted gross income is less than 50 percent of the median family income for the county in which the taxpayer's property is located.

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

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

3 SECTION 1. 74.47 (1) of the statutes is amended to read:

1 74.47 (1) INTEREST. The Except as provided under sub. (2m), the interest rate
2 on delinquent general property taxes, special charges, special assessments and
3 special taxes included in the tax roll for collection is one percent per month or fraction
4 of a month.

History: 1987 a. 378; 1989 a. 104; 1991 a. 39. ✓

5 SECTION 2. 74.47 (2) (a) of the statutes is amended to read:

6 74.47 (2) (a) Any Except as provided under sub. (2m), any county board and the
7 common council of any city authorized to act under s. 74.87 may by ordinance impose
8 a penalty of up to ~~0.5%~~ ^{0.5 percent} per month or fraction of a month, in addition to the interest
9 under sub. (1), on any delinquent general property taxes, special assessments,
10 special charges and special taxes included in the tax roll.

History: 1987 a. 378; 1989 a. 104; 1991 a. 39. ✓

11 SECTION 3. 74.47 (2m) of the statutes is created to read:

12 74.47 (2m) WAIVER. The county board or the common council of any city
13 authorized to act under s. 74.87 shall reduce the rate imposed under sub. (1) to 0.5
14 percent per month or fraction of a month and shall not impose the penalty authorized
15 under ~~par. (a)~~ ^{sub. (2)} if the taxpayer provides evidence to the board or common council, in
16 the manner determined by the board or common council, that shows that the
17 taxpayer's annual adjusted gross income, as determined for Wisconsin income tax
18 purposes, for the year in which the delinquent amounts are due is less than 50
19 percent of the median family income, as determined annually by the U.S.
20 department of housing and urban development for each county in the state, of the
21 county where the property for which the taxpayer owes delinquent amounts is
22 located. When the county board or common council notifies the taxpayer that the
23 taxpayer owes delinquent general property taxes, special charges, special
24 assessments, or special taxes, the county board or common council shall also notify

LRB: check that correct scoring is used (not double)

subsection

1 the taxpayer that the taxpayer may provide the evidence described in this paragraph
2 in order to reduce the interest and penalty imposed on the delinquent amounts.

3 **SECTION 4. Initial applicability.**

4 (1) This act first applies to the property tax assessments as of January 1, 2013.

5 (END)

DN

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

LRB-2643/P1dn

JK:f:...

Sac

-date-

Senator Cullen:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

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

LRB-2643/P1dn

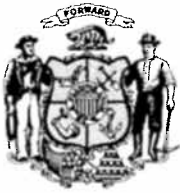
JK:sac:rs

July 23, 2013

Senator Cullen:

Please review this draft carefully to ensure that it is consistent with your intent.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov



P2
RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 2-5-14

SOON

Payment of

- re year

D-N

1 AN ACT to amend 74.47 (1) and 74.47 (2) (a); and to create 74.47 (2m) of the
2 statutes; relating to: reducing the interest and penalty imposed on delinquent
3 property taxes.

in multiple installments for low income taxpayers

Analysis by the Legislative Reference Bureau

Under current law, the interest rate on delinquent property taxes is 1 percent of the delinquent amount for every month that the taxes are delinquent. In addition, a county or 1st class city may enact an ordinance to impose a penalty on delinquent property taxes equal to 0.5 percent of the delinquent amount for each month that the taxes are due.

Under this bill, the county or 1st class city must reduce the interest rate imposed on delinquent taxes from 1 percent a month to 0.5 percent a month and waive the additional penalty if the taxpayer submits evidence to the county board or the city's common council that shows that the taxpayer's adjusted gross income is less than 50 percent of the median family income for the county in which the taxpayer's property is located.

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

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

4 SECTION 1. 74.47 (1) of the statutes is amended to read:


1 74.47 (1) INTEREST. The Except as provided under sub. (2m), the interest rate
2 on delinquent general property taxes, special charges, special assessments and
3 special taxes included in the tax roll for collection is one percent per month or fraction
4 of a month.

5 **SECTION 2.** 74.47 (2) (a) of the statutes is amended to read:

6 74.47 (2) (a) Any Except as provided under sub. (2m), any county board and the
7 common council of any city authorized to act under s. 74.87 may by ordinance impose
8 a penalty of up to ~~0.5%~~ 0.5 percent per month or fraction of a month, in addition to
9 the interest under sub. (1), on any delinquent general property taxes, special
10 assessments, special charges and special taxes included in the tax roll.

11 **SECTION 3.** 74.47 (2m) of the statutes is created to read:

12 74.47 (2m) WAIVER. The county board or the common council of any city
13 authorized to act under s. 74.87 shall reduce the rate imposed under sub. (1) to 0.5
14 percent per month or fraction of a month and shall not impose the penalty authorized
15 under sub. (2) (a) if the taxpayer provides evidence to the board or common council,
16 in the manner determined by the board or common council, that shows that the
17 taxpayer's annual adjusted gross income, as determined for Wisconsin income tax
18 purposes, for the year in which the delinquent amounts are due is less than 50
19 percent of the median family income, as determined annually by the U.S.
20 department of housing and urban development for each county in the state, of the
21 county where the property for which the taxpayer owes delinquent amounts is
22 located. When the county board or common council notifies the taxpayer that the
23 taxpayer owes delinquent general property taxes, special charges, special
24 assessments, or special taxes, the county board or common council shall also notify



Insert 3-2

1 the taxpayer that the taxpayer may provide the evidence described in this subsection
2 in order to reduce the interest and penalty imposed on the delinquent amounts.

3 **SECTION 4. Initial applicability.**

4 (1) This act first applies to the property tax assessments as of January 1, ~~2013~~

5 (END)

2014

Kreye, Joseph

From: Flury, Kelley
Sent: Monday, February 03, 2014 3:46 PM
To: Kreye, Joseph
Subject: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

2043

Hi Joe,

Currently this bill provides a reduced monthly interest rate for persons who are delinquent on their property tax payments if they are below a certain amount of the county median income.

Will you please re-draft the bill so that those persons whose household income is less than 50 percent of the median county income are allowed to pay their property taxes in monthly installments? So their taxes would be due on or before the first of each month. And they would have to submit proof of income, just as under the current bill.

Please let me know if you have questions.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

Insert A

Under current law, generally, a person must pay the person's property taxes in full no later than January 31 of the year after the year in which the taxes are assessed or in two equal installments, with the first installment due by January 31 and the ^{first} ~~2nd~~ installment due by July 31. A taxation district, other than a ~~1st~~ class city, may, however, adopt an ordinance to allow a taxpayer to pay in ~~3~~ or more installments, if ^{three} the last installment is due no later than July 31. A ~~1st~~ class city may adopt an ordinance to allow payment of property taxes in either ~~7~~ or ~~10~~ equal installments. ^{first seven ten}

Second

Under this bill, a taxpayer may pay his or her property taxes in 12 equal installments if the taxpayer provides evidence to the county or taxation district where the property is located that the taxpayer's adjusted gross income is less than 50 percent of the median family income for the county in which the taxpayer's property is located.

Insert 3 - 2

✓

1 **SECTION 1.** 74.122 of the statutes is created to read:
2 **74.122 Multiple installments for low-income taxpayers. (1) PAYMENT**
3 SCHEDULE. Except for cities authorized to act under s. 74.87, and the counties where
4 those cities are located, each taxation district and county shall, by ordinance or
5 resolution, permit payment in 12 equal installments of general property taxes,
6 special charges, and special assessments, if the taxpayer provides evidence to the
7 common council or the county board, in the manner determined by the common
8 council or board, that shows that the taxpayer's annual adjusted gross income, as
9 determined for Wisconsin income tax purposes, for the year in which the property
10 taxes are due is less than 50 percent of the median family income, as determined
11 annually by the U.S. department of housing and urban development for each county
12 in the state, of the county where the taxpayer's property is located. Each installment
13 under this subsection shall be paid on or before the last day of each month.
14 **(2) EXERCISE OF INSTALLMENT OPTION.** The taxpayer may exercise the option
15 provided under sub. (1) by making the first installment payment on or before

1 January 31 of the year in which the general property taxes, special assessments, or
2 special charges are due.

3 (3) LATE PAYMENT OF INSTALLMENTS. (a) If one installment only is not paid on
4 the due date, that installment is not delinquent and does not render the unpaid
5 balance delinquent, but the installment shall be collected, together with interest and
6 penalty as provided under s. 74.47[✓] from the day following the due date.

7 (b) If a 2nd installment under sub. (1) is not paid on the due date, the entire
8 unpaid balance is delinquent and shall be returned to the county treasurer for
9 collection.

10 (c) If the final installment is not paid by the end of the month following the due
11 date, the delinquent unpaid balance shall be collected, with interest and penalty as
12 provided under s. 74.47[✓], from the preceding February 1.

13 (4) PAYMENT CONSIDERED TIMELY. A payment is considered timely under sub. (1)
14 under any of the following conditions:

15 (a) It is mailed in a properly addressed envelope and received by the city or
16 county treasurer, as appropriate, with postage prepaid and the envelope is
17 postmarked before midnight of the last date prescribed for making the payment.

18 (b) It is received by the city or county treasurer, as appropriate, by mail or
19 otherwise within 5 days of the prescribed date.

20 (c) If the only reason that the requirements of par. (a) or (b) are not met is delay
21 by, or an administrative error of, the U.S. postal service.

22 (5) RETURN OF TAX ROLL. On or before February 25, the treasurer of a city acting
23 under this section shall return the duplicate county tax roll to the county treasurer
24 who shall collect delinquent city general property taxes, special assessments, and
25 special charges.

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

LRB-2643/P2dn

JK:sac:js

-date-

Senator Cullen:

Please review this draft carefully to ensure that it is consistent with your intent. The draft uses s. 74.87 (payments authorized in 1st class cities) as a model for the multiple installment option created by the bill.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

From: Flury, Kelley
Sent: Tuesday, February 04, 2014 1:42 PM
To: Kreye, Joseph
Subject: RE: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

Hi Joe,

We want our bill to apply to counties only. Milwaukee can keep its existing option. I guess our bill should require counties to allow property tax payments in 12 equal (as equal as possible) installments for those who meet the financial hardship guidelines.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

From: Kreye, Joseph
Sent: Tuesday, February 04, 2014 1:09 PM
To: Flury, Kelley
Subject: RE: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

Kelley,

The original proposal involved the interest and penalties assessed by a county or 1st class city. Do you want the new draft to involve only the property taxes imposed by a 1st class city or do you want all cities and counties to allow monthly payments to those who qualify?

Please note that, under current law, a 1st class city may, under 74.87 (3) and (4), adopt an ordinance to allow property tax payments in either 10 or 7 equal installments.

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Flury, Kelley
Sent: Tuesday, February 04, 2014 11:53 AM
To: Kreye, Joseph
Subject: RE: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

You are correct; my mistake. Thank you.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

From: Kreye, Joseph
Sent: Tuesday, February 04, 2014 11:51 AM
To: Flury, Kelley
Subject: RE: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

Kelley,

I'll redraft the proposal. I assume, however, that you mean LRB 2643?

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
608 266 2263

From: Flury, Kelley
Sent: Monday, February 03, 2014 3:46 PM
To: Kreye, Joseph
Subject: Request for redraft of LRB 2543/1, reduced interest rate for low-income property taxpayers

Hi Joe,

Currently this bill provides a reduced monthly interest rate for persons who are delinquent on their property tax payments if they are below a certain amount of the county median income.

Will you please re-draft the bill so that those persons whose household income is less than 50 percent of the median county income are allowed to pay their property taxes in monthly installments? So their taxes would be due on or before the first of each month. And they would have to submit proof of income, just as under the current bill.

Please let me know if you have questions.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

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

LRB-2643/P2dn
JK:sac:rs

February 11, 2014

Senator Cullen:

Please review this draft carefully to ensure that it is consistent with your intent. The draft uses s. 74.87 (payments authorized in 1st class cities) as a model for the multiple installment option created by the bill.

Joseph T. Kreye
Senior Legislative Attorney
Phone: (608) 266-2263
E-mail: joseph.kreye@legis.wisconsin.gov

Kreye, Joseph

From: Sen.Cullen
Sent: Friday, February 14, 2014 9:58 AM
To: Kreye, Joseph
Subject: FW: Draft review: LRB -2643/P2 Topic: Reduced penalties and interest on delinquent property taxes
Attachments: 13-2643/P2.pdf; DraftersNote1.pdf

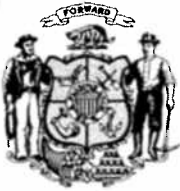
Hi Joe,

Sen. Cullen OKd the draft. Can you please do a non-preliminary so I can get the stripes and submit it to the Chief Clerk.

Kelley Flury
Office of Sen. Tim Cullen
608-266-2253

From: LRB.Legal
Sent: Tuesday, February 11, 2014 9:28 AM
To: Sen.Cullen
Subject: Draft review: LRB -2643/P2 Topic: Reduced penalties and interest on delinquent property taxes

Following is the PDF version of draft LRB -2643/P2 and drafter's note.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2643/P2

JK:sacs

9
PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Today by 3 PM

no changes

- gen cat

- 1 **AN ACT to create** 74.122 of the statutes; **relating to:** payment of property taxes
2 in multiple installments for low income taxpayers.

Analysis by the Legislative Reference Bureau

Under current law, generally, a person must pay the person's property taxes in full no later than January 31 of the year after the year in which the taxes are assessed or in two equal installments, with the first installment due by January 31 and the second installment due by July 31. A taxation district, other than a first class city, may, however, adopt an ordinance to allow a taxpayer to pay in three or more installments, if the last installment is due no later than July 31. A first class city may adopt an ordinance to allow payment of property taxes in either seven or ten equal installments.

Under this bill, a taxpayer may pay his or her property taxes in 12 equal installments if the taxpayer provides evidence to the county or taxation district where the property is located that the taxpayer's adjusted gross income is less than 50 percent of the median family income for the county in which the taxpayer's property is located.

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

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

1 **SECTION 1.** 74.122 of the statutes is created to read:

2 **74.122 Multiple installments for low-income taxpayers.** (1) PAYMENT
3 SCHEDULE. Except for cities authorized to act under s. 74.87, and the counties where
4 those cities are located, each taxation district and county shall, by ordinance or
5 resolution, permit payment in 12 equal installments of general property taxes,
6 special charges, and special assessments, if the taxpayer provides evidence to the
7 common council or the county board, in the manner determined by the common
8 council or board, that shows that the taxpayer's annual adjusted gross income, as
9 determined for Wisconsin income tax purposes, for the year in which the property
10 taxes are due is less than 50 percent of the median family income, as determined
11 annually by the U.S. department of housing and urban development for each county
12 in the state, of the county where the taxpayer's property is located. Each installment
13 under this subsection shall be paid on or before the last day of each month.

14 (2) EXERCISE OF INSTALLMENT OPTION. The taxpayer may exercise the option
15 provided under sub. (1) by making the first installment payment on or before
16 January 31 of the year in which the general property taxes, special assessments, or
17 special charges are due.

18 (3) LATE PAYMENT OF INSTALLMENTS. (a) If one installment only is not paid on
19 the due date, that installment is not delinquent and does not render the unpaid
20 balance delinquent, but the installment shall be collected, together with interest and
21 penalty as provided under s. 74.47 from the day following the due date.

22 (b) If a 2nd installment under sub. (1) is not paid on the due date, the entire
23 unpaid balance is delinquent and shall be returned to the county treasurer for
24 collection.

1 (c) If the final installment is not paid by the end of the month following the due
2 date, the delinquent unpaid balance shall be collected, with interest and penalty as
3 provided under s. 74.47, from the preceding February 1.

4 (4) PAYMENT CONSIDERED TIMELY. A payment is considered timely under sub. (1)
5 under any of the following conditions:

6 (a) It is mailed in a properly addressed envelope and received by the city or
7 county treasurer, as appropriate, with postage prepaid and the envelope is
8 postmarked before midnight of the last date prescribed for making the payment.

9 (b) It is received by the city or county treasurer, as appropriate, by mail or
10 otherwise within 5 days of the prescribed date.

11 (c) If the only reason that the requirements of par. (a) or (b) are not met is delay
12 by, or an administrative error of, the U.S. postal service.

13 (5) RETURN OF TAX ROLL. On or before February 25, the treasurer of a city acting
14 under this section shall return the duplicate county tax roll to the county treasurer
15 who shall collect delinquent city general property taxes, special assessments, and
16 special charges.

17 **SECTION 2. Initial applicability.**

18 (1) This act first applies to the property tax assessments as of January 1, 2014.

19 (END)