



State of Wisconsin
2023 - 2024 LEGISLATURE

LRBs0388/1
JK:cjs/amn/skw

**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 918**

February 28, 2024 - Offered by Senator STAFSHOLT.

1 **AN ACT to repeal** 59.69 (8), 75.36 (3) (bm) and 75.69 (1m) (a); **to renumber and**
2 **amend** 75.35 (2) (a), 75.35 (2) (e) and 75.36 (2m); **to amend** 75.35 (2) (title),
3 75.35 (2) (d), 75.35 (3), 75.35 (7), 75.36 (3) (a) 2., 75.36 (3) (a) 3., 75.69 (1) and
4 75.69 (2); and **to create** 75.35 (2) (ag), 75.36 (2k), 75.36 (2m) (b), 75.69 (1m)
5 (am), 75.69 (1m) (an) and 75.69 (1n) of the statutes; **relating to:** the county sale
6 of tax-deeded lands.

Analysis by the Legislative Reference Bureau

This bill makes changes to current law regarding the process by which a county sells land it has acquired by a tax-deed for the enforcement and collection of delinquent property taxes. The changes include the following:

1. Under current law, a county board is authorized to engage licensed real estate brokers and salespersons to assist in selling tax-deeded land. Under the bill, the county may sell such lands by open or closed bid.

2. Under current law, when selling tax-deeded land, the county may give preference to the former owner or heirs of the former owner who wish to purchase the land. Under the bill, the county must give preference not only to the former owner or heirs but also to the beneficiaries of the former owner who wish to purchase the land.

3. Except for counties with a population of 750,000 or more, current law prohibits the sale of tax delinquent real property acquired by a county unless the sale and appraised value of the property has first been advertised by publication of a class 3 notice. However, a county that enacts an ordinance giving preference to the former owner or the heirs of the owner who wish to purchase the property is exempt from the requirement that the sale must first be advertised by publishing a notice, if the net proceeds from the sale are sufficient to pay all special assessments and special charges on the property, including interests.

Under the bill, this exemption applies if the net proceeds from the sale are equal to or exceed the amounts owed the county as delinquent taxes, interest, penalties, and amounts associated with selling the property. The exemption also applies to a county that enacts an ordinance that includes giving preference to the beneficiaries of the former owner who wish to purchase the property and the net proceeds from the sale are equal to or exceed the amounts owed the county as delinquent taxes, interest, penalties, and amounts associated with selling the property.

4. In addition, under the bill, except for counties with a population of 750,000 or more, before the sale of tax-deeded property, the county must advertise the sale by publishing on the county's website and either by publishing a class 1 notice or by advertising on a multiple listing service, no later than 240 days after the county acquires the property or, beginning in 2026, no later than 180 days after the county acquires the property.

5. Under the bill, a county with a population of 750,000 or more, must advertise the sale by publishing on the county's website and either by publishing a class 1 notice or by advertising on a multiple listing service, no later than 36 months after the county acquires the property, if the property meets certain criteria, including being a vacant lot or subject to a raze order.

6. Under current law, the net proceeds from the county's sale of the property are determined by subtracting certain amounts from the sales price, such as the amount of real estate agent or broker fees paid for selling the property. The bill modifies current law by allowing the subtraction of reasonable and customary real estate agent or broker fees or other actual costs paid for selling the property.

7. Under current law, if the county is unable to locate the former owner within five years following the mailing of the notice, the former owner forfeits the right to any remaining equity in the property. The bill replaces this provision with a requirement that any remaining equity not claimed within one year be considered unclaimed funds and disposed according to that process.

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

1 **SECTION 1.** 59.69 (8) of the statutes is repealed.

2 **SECTION 2.** 75.35 (2) (title) of the statutes is amended to read:

1 75.35 (2) (title) ~~POWER OF COUNTY~~ COUNTY REQUIRED TO SELL ARRANGE FOR THE
2 SALE OF TAX-DEEDED LANDS.

3 **SECTION 3.** 75.35 (2) (a) of the statutes is renumbered 75.35 (2) (am) and
4 amended to read:

5 75.35 (2) (am) ~~Except as provided in s. Subject to this section and ss. 75.36 and~~
6 75.69, any county shall have the power to sell and convey its tax-deeded lands in
7 such manner and upon such terms as the county board may by ordinance or
8 resolution determine, ~~including without restriction because of enumeration, sale by~~
9 ~~land contract, or by quitclaim or warranty deed with mortgage from vendee to secure~~
10 ~~any unpaid balance of the purchase price. Such mortgage may be foreclosed in the~~
11 ~~same manner as any other mortgage. The title to lands conveyed by land contract~~
12 ~~shall remain in the county until fully paid for and in the event of default in such~~
13 ~~payment the county may foreclose the land contract with costs and reasonable~~
14 ~~attorney fees. When such land contract runs to a person or private corporation, the~~
15 ~~lands therein conveyed shall be placed on the tax roll and be subject to taxation the~~
16 ~~same as though absolute title thereto was vested in the purchaser under such land~~
17 ~~contract. Such purchaser shall be liable to pay all taxes against such land and in the~~
18 ~~event of failure to make such payment the county may pay the same and add the sum~~
19 ~~so paid to the amount due on the land contract.~~

20 **SECTION 4.** 75.35 (2) (ag) of the statutes is created to read:

21 75.35 (2) (ag) If a property or the county is subject to s. 66.1006, the county shall
22 publish the notice under s. 75.69 (1) no later than 240 days after the date of approval
23 from the department of natural resources or, beginning in 2026, no later than 180
24 days after the date of such approval.

25 **SECTION 5.** 75.35 (2) (d) of the statutes is amended to read:

1 75.35 (2) (d) The county board may delegate its power to manage and sell
2 tax-deeded lands to a committee constituted of such personnel and in such manner
3 and compensated at such rate as the county board may by ordinance determine,
4 provided that the compensation and mileage of county board members serving on
5 such committee shall be limited and restricted as provided in s. 59.13 (2), or the
6 county board may delegate the power of acquisition, management and sale of
7 tax-deeded lands or any part of such power to such officer and departments of the
8 county as the county board may by ordinance determine. Such ordinance shall
9 prescribe the policy to be followed in the acquisition, management and sale of
10 tax-deeded land and shall prescribe generally the powers and duties of such
11 committee, officers, departments, employees and agents. The county board is
12 authorized to sell and convey its tax-deeded lands by open or closed bid or to engage
13 licensed real estate brokers and salespersons to assist in selling such lands and pay
14 a commission for such service and to advertise such sale in such manner as it deems
15 proper. The county board may appropriate such sums of money as may be necessary
16 to carry out the provisions of this section.

17 **SECTION 6.** 75.35 (2) (e) of the statutes is renumbered 75.35 (2) (e) 1. and
18 amended to read:

19 75.35 (2) (e) 1. Any county acting either by its board or by delegated authority
20 as provided in this section may sell and convey tax-deeded lands to the former owner
21 or owners thereof ~~and such~~ before or after publication of the notice required par. (ag)
22 and without complying with s. 75.69.

23 2. A conveyance under subd. 1. shall not operate to revive any tax certificate
24 lien or any other lien whatsoever which was cut off and rendered void by the tax deed,
25 foreclosure of tax certificate, deed in lieu of tax deed, action in rem under s. 75.521

1 or other means by which the county acquired title to such land, nor shall it revive the
2 lien of any tax certificate or tax dated subsequently to the date on which the county
3 acquired its title. The enactment into statute law of the provisions of this paragraph
4 shall not be deemed an expression of legislative intent that the prior common law of
5 this state was otherwise than as herein provided.

6 **SECTION 7.** 75.35 (3) of the statutes is amended to read:

7 75.35 (3) ~~PREFERENCE TO~~ RIGHT OF FORMER OWNER TO REPURCHASE. The county
8 board shall, for single-family, owner-occupied properties, and may, at its option, for
9 all other properties, by ordinance provide that in prior to the sale of tax-deeded
10 lands, the former owner who lost his or her title through delinquent tax collection
11 enforcement procedure, or his or her beneficiaries, as defined in s. 851.03, or heirs,
12 may be given such preference in as defined in s. 851.09, shall have the right to
13 purchase such lands as such ordinance shall provide. Such ordinance may provide
14 that such sale be by paying the county for all costs and expenses incurred as provided
15 under s. 75.36 (3) (a), plus the amount of property taxes that would have been owed
16 on the property for the year during which the purchase occurs if the county had not
17 acquired the property and, plus amounts to satisfy any other liens at the time of the
18 foreclosure including the county's costs associated with the repurchase. Any sale
19 under such ordinance is exempt from any or all provisions of s. 75.69 if the net
20 proceeds from the sale to the former owner as determined under s. 75.36 (3) will be
21 sufficient to pay all special assessments and special charges to which the property
22 is subject, including interest imposed under s. 74.47, or if the county settles in full
23 with the taxing jurisdiction for special assessments, as defined in s. 75.36 (1), to
24 which the property is subject. Such ordinance shall not apply to tax-deeded lands

1 ~~which have been improved for or dedicated to a public use by the county subsequent~~
2 ~~to its acquisition thereof.~~

3 **SECTION 8.** 75.35 (7) of the statutes is amended to read:

4 75.35 (7) LIABILITY PRECLUDED. Absent fraud, no county is liable for acts or
5 omissions associated with the sale of property under this section, including the
6 process by which the property is sold.

7 **SECTION 9.** 75.36 (2k) of the statutes is created to read:

8 75.36 (2k) COUNTY SALE OF PROPERTY. Unless otherwise provided in this chapter,
9 any property acquired by a county by tax deed under this chapter shall be disposed
10 of as provided under this section and ss. 75.35 and 75.69.

11 **SECTION 10.** 75.36 (2m) of the statutes is renumbered 75.36 (2m) (a) and
12 amended to read:

13 75.36 (2m) (a) Upon acquisition of a tax deed under this chapter, the county
14 treasurer shall notify the former owner, by registered mail or certified mail sent to
15 the former owner's mailing address on the tax bill, that the former owner may be
16 entitled to a share of the proceeds of a future sale. The county shall send to the former
17 owner the proceeds identified in sub. (3) (c) minus any delinquent taxes, interest, and
18 penalties owed by the former owner to the county in regard to other property and
19 minus the actual costs of the sale as specified under sub. (3) (a) plus all amounts
20 disbursed under sub. (3) (b) ~~and (bm)~~ and plus the amount of property taxes that
21 would have been owed on the property for the year during which the sale occurs if
22 the county had not acquired the property. ~~If the county is unable to locate the former~~
23 ~~owner within 5 years following the mailing of the notice under this subsection, the~~
24 ~~former owner forfeits the right to any remaining equity in the property.~~

25 **SECTION 11.** 75.36 (2m) (b) of the statutes is created to read:

1 75.36 (2m) (b) If the payment to the former owner under par. (a) is returned
2 to the county or otherwise not claimed by the former owner within one year following
3 the mailing of the proceeds under par. (a), the payment shall be considered
4 unclaimed funds and disposed of pursuant to s. 59.66 (2). Neither the former owner
5 nor any person making claim for any funds under this section is entitled to interest
6 on sums owed by the county under this section.

7 **SECTION 12.** 75.36 (3) (a) 2. of the statutes is amended to read:

8 75.36 (3) (a) 2. The amount of reasonable and customary real estate agent or
9 broker fees or other actual costs paid for selling the property.

10 **SECTION 13.** 75.36 (3) (a) 3. of the statutes is amended to read:

11 75.36 (3) (a) 3. All amounts of unpaid general property taxes, interest,
12 penalties, special assessments, special charges and special taxes levied against the
13 property sold, including interest and penalties imposed under s. 74.47 previously
14 paid to taxing jurisdictions by the county.

15 **SECTION 14.** 75.36 (3) (bm) of the statutes is repealed.

16 **SECTION 15.** 75.69 (1) of the statutes is amended to read:

17 75.69 (1) Except as provided in sub. (1m), no tax delinquent real estate
18 acquired by a county may be sold unless the sale and appraised value of such real
19 estate has first been advertised by publishing on the county's website and either by
20 publication of a class ~~3~~ 1 notice, under ch. 985, or by advertising on a multiple listing
21 service, no later than 240 days after the county acquires the property or, beginning
22 in 2026, no later than 180 days after the county acquires the property. Any county
23 may accept the bid most advantageous to it but, at the first attempt to sell the
24 property, every bid less than the appraised value of the property shall be rejected.
25 Any county is authorized to sell for any amount any land previously advertised for

1 sale after advertising the sale of such land by publication of a class 1 notice, under
2 ch. 985; except that no property may be sold for an amount that is less than the
3 property's appraised value unless the county board or a committee designated by the
4 county board has reviewed and approved such a sale and no property may be sold for
5 an amount that is less than the amount of the highest bid unless the county board
6 or a committee designated by the county board prepares a written statement,
7 available for public inspection, that explains the reasons for accepting a bid that is
8 less than the highest bid. In this subsection, "appraised value" means the value
9 determined, at the discretion of the county board, by the county board, a committee
10 designated by the county board, or a certified appraiser, as defined in s. 458.01 (7).

11 **SECTION 16.** 75.69 (1m) (a) of the statutes is repealed.

12 **SECTION 17.** 75.69 (1m) (am) of the statutes is created to read:

13 75.69 (1m) (am) 1. Except as provided in subd. 2. and par. (an), if a property
14 is located in a county with a population of 750,000 or more, the county shall advertise
15 the sale of tax delinquent real estate by publishing on the county's website and either
16 by publication of a class 1 notice, under ch. 985, or by advertising on a multiple listing
17 service, no later than 36 months after the day in which the county acquires the
18 property, if the property meets any of the of the following criteria:

19 a. The property is a vacant lot.

20 b. The property is residential property occupied by a person with a valid
21 ownership or leasehold interest in the property at the time of foreclosure but is not
22 a single-family, owner-occupied residence.

23 c. The property is eligible to a redemption or sale-back process authorized by
24 s. 75.35 (3), and set by local ordinance.

25 d. The property qualifies for a raze order under s. 66.0413.

1 e. The county has estimated a cost of repair that exceeds 50 percent of the
2 property's assessed value in the year of the county's acquisition.

3 f. The delinquent property taxes, fees, interest, penalties, and other costs under
4 s. 75.36 (3) (a) exceed 75 percent of the property's assessed value in the year of the
5 county's acquisition.

6 g. The county has reason to believe the property is a brownfield pursuant to s.
7 238.13 (1) (a).

8 h. The property is subject to s. 75.106.

9 2. For purposes of this paragraph, the sale of a single-family, owner-occupied
10 residence is subject to the 240-day and 180-day notice requirements under sub. (1),
11 unless the residence meets the criteria under subd. 1. d. to h.

12 **SECTION 18.** 75.69 (1m) (an) of the statutes is created to read:

13 75.69 (1m) (an) With regard to property located in a county with a population
14 of 750,000 or more and obtained by foreclosure prior to the effective date of this
15 paragraph [LRB inserts date], the county shall attempt to sell such property no
16 later than 10 years after the effective date of this paragraph [LRB inserts date].
17 If any such property remains unsold after the expiration of that 10-year period, the
18 county shall advertise the sale of the property by publishing on the county's website
19 and either by publication of a class 1 notice, under ch. 985, or by advertising on a
20 multiple listing service, no later than 180 days after the expiration of that 10-year
21 period, regardless of the property type.

22 **SECTION 19.** 75.69 (1n) of the statutes is created to read:

23 75.69 (1n) A county may petition the circuit court that handled the initial tax
24 foreclosure under this chapter for relief from any of the provisions, including the
25 deadlines imposed under sub. (1) or (1m), for cause, for a specific property, if that

1 petition is filed no later than the applicable deadline for publishing notice under sub.
2 (1) or (1m).

3 **SECTION 20.** 75.69 (2) of the statutes is amended to read:

4 75.69 (2) This section shall not apply to exchange of property under s. 59.69 (8),
5 to withdrawal and sale of county forest lands, nor to the sale or exchange of lands to
6 or between municipalities or to the state.

7 **SECTION 21. Initial applicability.**

8 (1) This act first applies to tax deeded lands that a county acquired or will
9 acquire on or after April 1, 2022, except that, with regard to tax deeded lands that
10 a county acquired before the effective date of this subsection, this act first applies to
11 the notice of sale of tax deeded lands on the date that is 240 days after the effective
12 date of this subsection. This act shall not be effective or otherwise impact any sale
13 of tax deeded lands that occurred prior to the effective date of this subsection or
14 during the 90-day period following the effective date of this subsection.

15 (END)