

1 FROM THE OFFICE OF JOSPEH J. CZARNEZKI

2  
3 MILWAUKEE COUNTY CLERK

4  
5 County Ordinance No. 14-4

6  
7 File No. 14-88

8  
9  
10 AN ORDINANCE

11  
12 The County Board of Supervisors of the County of Milwaukee does ordain as  
13 follows:

14  
15 **SECTION 1.** Chapter 6 of the General Ordinances of Milwaukee County is renamed as  
16 follows:

17  
18 Chapter 6 COLLECTION OF DELINQUENT REAL ESTATE TAXES, AND  
19 ACQUISITION, MANAGEMENT AND DISPOSITION OF ~~LAND~~ TAX FORECLOSURE  
20 PROPERTIES

21  
22 **SECTION 2.** Section 6.01 of the General Ordinances of Milwaukee County is amended  
23 as follows:

24  
25 6.01. Foreclosure of tax lien by action *in rem*.

26  
27 From and after March 1, 1963, the county elects to adopt s. 75.521, Wis. Stats.  
28 for the purpose of enforcing tax liens in such county in the cases where the procedure  
29 provided by such section is applicable. Where applicable, this method shall be used in  
30 preference to obtaining real estate by a guardianship deed, old age assistance lien or  
31 where, in the opinion of the corporation counsel, it is more effective for obtaining  
32 merchantable title.

33 (1) ~~The department of public works and development, through its real estate branch~~  
34 ~~of the professional services division~~ department of administrative services –  
35 economic development division, shall make cursory inspections of all properties  
36 on the county treasurer's list of properties scheduled for foreclosure for  
37 nonpayment of real estate taxes. Within three (3) days after the final date of  
38 redemption, the treasurer shall furnish the ~~department~~ division a list of the  
39 remaining properties in the court action and the projected foreclosure date and  
40 the ~~department~~ division shall present a written report to the treasurer on which of  
41 the remaining properties in the court action contains or are likely to contain  
42 hazardous materials.

- 43 (2) Properties that have been identified by the ~~division department of public works~~  
44 ~~and development~~ as containing or likely to contain hazardous materials shall be  
45 taken by foreclosure only if there is agreement of the treasurer and the division  
46 department.
- 47 (3) ~~If it is determined by the treasurer and the division department~~ determine that a  
48 phase one environmental assessment is required and/or a plan should be  
49 developed for ~~submittal~~ submission to the state department of natural resources  
50 in order to protect the county's interests, an assessment can be undertaken  
51 and/or a plan developed and submitted if sufficient funds are available for these  
52 purposes.
- 53 (4) ~~If there is disagreement between the treasurer and the department of public~~  
54 ~~works and development~~ division disagree about whether a property might contain  
55 hazardous materials, the need for further environmental assessment or  
56 development of a plan for submittal to the state department of natural resources,  
57 or if sufficient funds are not available for these purposes, the county shall not  
58 take judgment of foreclosure on the property in question and the ~~matter shall be~~  
59 ~~submitted by the treasurer~~ shall submit the matter to the committee on finance  
60 for review and direction by the county board.
- 61 (5) Return of property to former homestead owner after property is foreclosed upon  
62 by tax lien action *in rem*;
- 63 (a) Definition: "Homestead owner" is defined as owner who has lived in  
64 property within ~~two (2)~~ five (5) years of *in rem* tax lien foreclosure;
- 65 (b) Any former homestead owner(s) or his or her heir(s) who has lost his or  
66 her title to land through delinquent tax collection enforcement procedure  
67 shall have the ~~right~~ ability to have this property returned from the county  
68 as authorized in s. 75.35(3), Wis. Stats., and this ordinance.
- 69 (c) An exception to this policy shall allow the county to declare that it will keep  
70 the tax deeded land for county use if another county department ~~the~~  
71 ~~Milwaukee County Parks Department, the county economic development~~  
72 ~~department, or the county real estate division,~~ which shall be notified of  
73 such foreclosures within ten (10) days of ~~such action~~ acquisition of the  
74 properties, do declare declares a county interest in holding title to said  
75 property within thirty (30) days of receipt to said notice. In case of such  
76 declaration, the disposition of said property will be referred to the county  
77 board, which shall ~~to~~ determine if whether the county shall retain title to  
78 said tax deeded land(s);
- 79 (d) In cases where a former homestead owner(s) or his or her heir(s) do  
80 exercise their ~~right ability of return of said~~ to have foreclosed property  
81 returned to them pursuant to this section, said persons shall pay;
- 82 (i) ~~all~~ All of the delinquent taxes which were the basis for the taking of  
83 tax deed, plus interest, and any penalties established by law and

84 all, special charges and assessments, and other tax bill charges or  
85 fees as defined in s. 75.36(1), Wis. Stats., a pro rata share of the  
86 costs of the tax collection enforcement foreclosure process, any  
87 costs accrued by the county real estate division and corporation  
88 counsel, plus an additional sum of three (3) percent of all the  
89 aforementioned amounts or two hundred dollars (\$200.00),  
90 whichever is greater.

91 ~~(e)~~  
92 (ii) The former owner(s) or his or her heir(s) shall pay the The taxes for  
93 the full year in which the return of the property from the county took  
94 place and the amount the taxes, penalties and interest would have  
95 been owing in any years had the county not taken tax deed to the  
96 property.

97 ~~(f)(e)~~ If the former owner(s) do not initiate their ~~option~~ ability to have the  
98 foreclosed property returned with within sixty (60) days of foreclosure by  
99 signing an agreed upon written contract with the office of the treasurer  
100 within sixty (60) days, the rights ability of the homestead owner to have  
101 the foreclosed property returned pursuant to this section specified in this  
102 ordinance to return the property shall be forever lost.

103 ~~(g)(f)~~ The County shall not return title to the owner of the property shall not  
104 be returned to the former homestead owner until full payment is received  
105 as stipulated under section ~~(h)~~ (d) above, and the corporation counsel has  
106 received court approval to vacate the foreclosure order regarding the  
107 property in question.

108 ~~(h)(g)~~ The preference granted to the former homestead owner(s) or his or her  
109 heir(s) to return said property from the county is exempt from the  
110 provisions of s. 75.69, Wis. Stats.

111

112 **SECTION 3.** Section 6.03 of the General Ordinances of Milwaukee County is repealed  
113 and recreated as follows:

114

115 (1) *Declaration of surplus and assumption of jurisdiction.* Upon the County  
116 Treasurer taking title of tax foreclosure properties, such properties shall automatically  
117 be deemed surplus and placed under the jurisdiction of the department of  
118 administrative services, economic development division.

119 (2) *Management of tax foreclosure properties.* While the tax foreclosure properties  
120 are under its jurisdiction, the division is responsible for managing the properties or  
121 hiring a contractor to manage the properties, which includes but is not limited to:

122 (a) Controlling access to and physically inspecting the properties.

123 (b) Arranging for cleaning, general maintenance or other repairs, as  
124 necessary to prepare the properties for resale.

- 125 (i) The division shall authorize emergency repairs not exceeding five  
126 thousand dollars (\$5,000.00).
- 127 (ii) For nonemergency repairs, the procurement provisions of chapter  
128 32, subchapter II shall apply.
- 129 (c) Obtaining appraisals for the marketable tax deed foreclosure properties.
- 130 (d) Negotiating temporary leases or licenses with occupants, if mutually  
131 agreeable.
- 132 (i) Rental rates shall be determined on the basis of fair market value.
- 133 (ii) Leases or licenses shall be in writing on a month-to-month basis.  
134 Leases or licenses longer than one (1) year require the approval of  
135 the county board.
- 136 (iii) All rents shall be paid directly to the division.
- 137 (e) Paying special charges levied against the properties. Notwithstanding the  
138 foregoing, the county is not required to pay any special assessment until  
139 the time of sale, pursuant to s. 73.36(2), Wis. Stats.
- 140 (f) If feasible and determined to be in the best interests of the county,  
141 combining or dividing the tax foreclosure properties with other properties  
142 to improve salability, as contemplated by s. 75.35(4), Wis. Stats.
- 143 (3) *Retention of tax foreclosure properties for municipal purposes.*
- 144 (a) County Use. Upon receipt of jurisdiction of the tax foreclosure properties,  
145 the division shall notify all other county department heads of the  
146 availability of the real estate for public purposes. County department  
147 heads shall have 30 days from the date of notification to respond in writing  
148 advising the division of their interest in the real estate. The property will  
149 be transferred via jurisdictional transfer agreement to the interested  
150 department, whereby the interested department assumes the carrying  
151 costs of the property. Whether additional consideration or cross charges  
152 are required shall be determined on a case-by-case basis by the division  
153 director.
- 154 (b) Other Municipal Use. In the absence of county interest, the division shall  
155 contact the municipality in which the tax foreclosure property resides to  
156 determine whether the municipality has an interest in obtaining the  
157 property for a public purpose. The municipality shall have 30 days from  
158 the date of notification to respond in writing advising the division of its  
159 interest in the real estate. The price of the real estate is presumed to be  
160 its appraised value. Notwithstanding the foregoing, if doing so would  
161 provide a community benefit or serve a public purpose, the division may  
162 enter into a Memorandum of Understanding or other similar agreement  
163 with the municipality evidencing the mutually beneficial agreement for the  
164 transfer of real estate between them for consideration other than fair  
165 market value.

- 166 (c) The 30 day review period set forth in this section may run concurrently for  
167 county departments and other municipalities.
- 168 (4) *Sale of tax foreclosure properties.* The division shall sell tax foreclosure  
169 properties via offer to purchase.
- 170 (a) The division shall list marketable tax foreclosure properties for sale on the  
171 MLS (Multiple Listing Service) at their appraised values.
- 172 (i) If the division receives an offer to purchase a tax foreclosure  
173 property within ninety percent (90%) of its appraised value during  
174 the first 120 days of listing (“Initial Offer Period”), it may sell the  
175 property without further approval of the county board.
- 176 (ii) If the division receives an offer to purchase a tax foreclosure  
177 property within 75% of its appraised value during the next 120 days  
178 of listing (“Extended Offer Period”), it may sell the property without  
179 further approval of the county board.
- 180 (iii) If the Extended Offer Period lapses without a sale, the division  
181 director may authorize the sale of a tax foreclosure property without  
182 further approval of the county board, provided that the purchase  
183 price is not less than 25% of the appraised value.
- 184 (iv) As an alternative to subs. (i)-(iii) above, the division may at any  
185 time request separate board approval of an offer to purchase.
- 186 (iv) The division director, or his/her designee, shall have the authority  
187 to negotiate additional terms with any potential buyer if doing so  
188 would be in the best interests of the county, provided the additional  
189 terms do not disregard the price directives in subs. (i)-(iii) above.
- 190 (b) The division shall negotiate with adjacent property owners or the  
191 municipality in which the tax foreclosure resides for the disposition of  
192 unmarketable (remnant) tax foreclosure properties. For purposes of this  
193 section, unmarketable tax foreclosure properties are those properties  
194 which are unbuildable by nature of their size, location or subsurface  
195 composition. The division shall notify the County Board of any  
196 agreements for the disposition of unmarketable tax foreclosure properties.  
197 Board members will have five (5) days to object to the sale or disposition  
198 in writing, at which point the transaction will require the approval of the full  
199 Board. In absence of a timely objection, the agreement shall be deemed  
200 approved by the Board per s. 59.17(2)(b)3, Wis. Stats.
- 201 (c) All annual proceeds from these sales - less costs incurred by the  
202 Economic Development Division, the Office of the Treasurer, and the  
203 Corporation Counsel, as well as any outstanding delinquent taxes, special  
204 assessment, special charges and delinquent utility charges, as well as  
205 accrued interest and penalties (already booked as receivables) - shall be

206 credited to the economic development account, unless otherwise directed  
207 in the annual budget.

208 (d) The provisions of sections 32.96(7) and (8) of this Code are applicable to  
209 tax foreclosure sales. Any land sale to an individual covered by 32.96(7)  
210 shall require county board approval per s. 59.17(2)(b)3, Wis. Stats.

211 (5) *County Board Notification.* Upon signing an agreement for sale or disposition of  
212 a tax foreclosure in accordance with sections (3) and (4) above, the division shall notify  
213 the County Board of the transaction. Board members will have five (5) days to object to  
214 the sale or disposition in writing, at which point the transaction will require the approval  
215 of the full Board. In absence of a timely objection, the agreement shall be deemed  
216 approved by the Board per s. 59.17(2)(b)3, Wis. Stats.

217  
218 **SECTION 4.** Sections 6.04 and 6.05 of the General Ordinances of Milwaukee County  
219 are superseded by newly created Sections 32.96(7) and 32.96(8).

220  
221 ~~6.04. Sale of lands to county employes prohibited.~~

222  
223 ~~No officer or employe, either part-time or full-time, of the county, whether elected or~~  
224 ~~appointed, in either the classified or unclassified service, shall purchase real estate~~  
225 ~~acquired by the county, pursuant to this chapter, through an agent. However, the~~  
226 ~~aforementioned individuals, if not involved directly in the sale, may purchase real estate~~  
227 ~~themselves or with their spouses, if their county employment is disclosed in the offer.~~

228  
229 ~~6.05. Conveyances for sale of lands.~~

230  
231 ~~The county executive and county clerk shall sign all conveyances on behalf of the~~  
232 ~~county for the sale of lands acquired by the county under the procedure authorized by~~  
233 ~~this chapter when approved as ready for execution by the corporation counsel.~~

234  
235 **SECTION 5.** Section 32.96 of the General Ordinances of Milwaukee County is  
236 amended as follows:

237  
238 32.96. Real Estate.

239  
240 (1) Manage, sell and acquire real estate for the county. Specific responsibilities  
241 include managing and leasing improved and unimproved properties, including air space  
242 parking lots for the state department of transportation (WIDOT). County surplus real  
243 estate and tax deed foreclosure properties in the county suburbs are sold by the  
244 division.

245 (2) Land sales shall follow the policy and procedure for disposition of real estate as  
246 recommended by the committee on economic and community development (ECD  
247 committee), approved by the county board and implemented by the Department of  
248 Administration (DAS) – Economic Development Division.

249 (3) Sales of tax foreclosure properties shall be consistent with the provisions of s.  
250 6.03.

251 ~~(3)~~(4) All land sales not covered by 6.03 including those declared surplus by the county  
252 shall be referred to the ECD committee for disposition and the ECD committee may  
253 consider any of the following policies for such disposition:

- 254 (a) A site-specific plan because of the unique character or location of the  
255 property.  
256 (b) A request for proposal (RFP) process which is intended to be a formal  
257 process that is generally reviewed in closed hearings if such hearings are  
258 deemed appropriate by opinion of corporation counsel.  
259 (c) A request for information (RFI) process which is intended to be a less  
260 formal process that is generally reviewed in an open hearing unless  
261 corporation counsel provides an opinion that proprietary information must  
262 be protected. Such RFI process may be followed by a more specific  
263 procedure as recommended by the ECD committee.  
264 (d) Any other policy for disposition that the ECD committee establishes as  
265 appropriate which may be determined by the totality of the circumstances  
266 regarding the real estate involved.  
267 (e) A development agreement negotiated by DAS – Economic Development  
268 Division that the ECD committee established with regard to a specific  
269 developer to develop an identified real estate parcel.

270 ~~(4)~~(5) The ECD committee may, at their discretion, recommend to the county board  
271 any community benefit requirements for either the surplus disposition plan or  
272 development agreement.

273 ~~(5)~~(6) All negotiations and review of RFP, RFI, or any other negotiated procedures  
274 shall be conducted by the DAS – Economic Development Division which shall make  
275 final recommendations to the ECD committee for review and recommendation to the  
276 county board.

277 (7) No officer or employee, either part-time or full-time, whether elected or  
278 appointed, in either the classified or unclassified service, shall purchase real estate  
279 acquired by the county, pursuant to this chapter, through an agent. However, the  
280 aforementioned individuals, if not involved directly in the sale, may purchase real estate  
281 themselves or with their spouses, if their county employment is disclosed in the offer.

282 (8) The county executive and county clerk shall sign all conveyances on behalf of  
283 the county for the sale of lands acquired by the county under the procedure authorized  
284 by his chapter when approved as ready for execution by the corporation counsel.

285  
286 **SECTION 6.** The provisions of this ordinance shall be effective upon passage and  
287 publication.  
288

289 **Adopted by the Milwaukee County Board of Supervisors**  
290 **February 6, 2014**  
291