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From the Economic Development Director, Department of Administrative Services, outlining the key changes to Wisconsin Statutes Chapter 75 and their impact on county procedures for handling tax-foreclosed properties, by recommending adoption of the following:

A RESOLUTION/ORDINANCE

WHEREAS, Chapter 6 of the Milwaukee County Code of General Ordinances (the Code) describes Milwaukee County’s (the County) processes for collection of delinquent real estate taxes, as well as the acquisition, management, and disposition of tax-foreclosed properties; and

WHEREAS, 2013 State of Wisconsin (the State) Act 14 and 2015 State Act 55 transferred the authority under Section 59.52(6), State Statutes, including the authority to “take and hold land acquired under ch. 75,” except insofar as that authority applies to land zoned as a park on or after July 14, 2015, other than land zoned as a park in the City of Milwaukee that is located within the area west of Lincoln Memorial Drive, south of East Michigan Street, east of North Van Buren Street, and north of East Clybourn Avenue, from the Milwaukee County Board of Supervisors (County Board) to the County Executive; and

WHEREAS, 2023 State Act 207 made several changes to Chapter 75, State Statutes, including amending Section 75.35(3), State Statutes, to require the County Board to pass an ordinance giving former owners the right to repurchase property the County acquired through enforcement of the collection of delinquent taxes by tax deed, foreclosure of tax certificate, deed in lieu of tax deed, action in rem under Section 75.521, State Statutes, or other means under certain circumstances; and

WHEREAS, the Committee on Community, Environment, and Economic Development, at its meeting of December 9, 2024, recommended adoption of File No. 24-939 (vote 5-0); now, therefore,

BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby supports the Milwaukee County Code of General Ordinances (the Code) both reflecting the correct state of the law and complying with Wisconsin State Statutes, and amends Chapter 6 of the Code, by adopting the following:

AN ORDINANCE

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

45 **SECTION 6.** Section 6.01 of the Milwaukee County General Ordinances is hereby
46 amended as follows:

47
48 6.01. - Foreclosure of tax lien by action in rem.

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

- 55 ~~(1) The department of administrative services – economic development~~
56 ~~division, shall make cursory inspections of all properties on the county~~
57 ~~treasurer's list of properties scheduled for foreclosure for nonpayment of~~
58 ~~real estate taxes. Within three (3) days after the final date of redemption,~~
59 ~~the treasurer shall furnish the division a list of the remaining properties~~
60 ~~in the court action and the projected foreclosure date and the division~~
61 ~~shall present a written report to the treasurer on which of the remaining~~
62 ~~properties in the court action contains or are likely to contain hazardous~~
63 ~~materials.~~
- 64 ~~(2) Properties that have been identified by the division as containing or likely~~
65 ~~to contain hazardous materials shall be taken by foreclosure only if there~~
66 ~~is agreement of the treasurer and the division.~~
- 67 ~~(3) If the treasurer and the division determine that a phase one~~
68 ~~environmental assessment is required and/or a plan should be developed~~
69 ~~for submission to the state department of natural resources in order to~~
70 ~~protect the county's interests, an assessment can be undertaken and/or a~~
71 ~~plan developed and submitted if sufficient funds are available for these~~
72 ~~purposes.~~
- 73 ~~(4) If the treasurer and the division disagree about whether a property might~~
74 ~~contain hazardous materials, the need for further environmental~~
75 ~~assessment or development of a plan for submittal to the state~~
76 ~~department of natural resources, or if sufficient funds are not available~~
77 ~~for these purposes, the county shall not take judgment of foreclosure on~~
78 ~~the property in question and the treasurer shall submit the matter to the~~
79 ~~committee on finance for review and direction by the county board.~~
- 80 ~~(5) Return of property to former homestead owner after property is~~
81 ~~foreclosed upon by tax lien action in rem. As required by Wis. Stat. §~~
82 ~~75.35(3) the former owner who lost their title through delinquent tax~~
83 ~~collection enforcement procedures, or their beneficiaries, as defined in~~
84 ~~Wis. Stat. § 85103, or heirs, as defined in Wis. Stat. § 851.09 shall have~~
85 ~~the right to purchase such lands as laid out in AMOP 10.01 – Land~~
86 ~~Disposition Procedure.~~
- 87 ~~(a) Definition: "Homestead owner" is defined as owner who has lived~~
88 ~~in property within five (5) years in rem tax lien foreclosure.~~

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~~(b) Any former homestead owner(s) or his or her heir(s) who has lost his or her title to land through delinquent tax collection enforcement procedure shall have the ability to have this property returned from the county as authorized in s. 75.35(3), Wis. Stats., and this ordinance.~~

~~(c) An exception to this policy shall allow the county to declare that it will keep the tax deeded land for county use if another county department, which shall be notified of such foreclosures within ten (10) days of acquisition of the properties, declares a county interest in holding title to said property within thirty (30) days of receipt to said notice. In case of such declaration, the disposition of said property will be referred to the county board, which shall determine whether the county shall retain title to said tax deeded land(s).~~

~~(d) In cases where a former homestead owner(s) or his or her heir(s) do exercise their ability to have foreclosed property returned to them pursuant to this section, said persons shall pay:~~

~~(i) All of the delinquent taxes which were the basis for the taking of tax deed, plus interest, and any penalties established by law and all, special charges and assessments, and other tax bill charges or fees as defined in s. 75.36(1), Wis. Stats., a pro rata share of the costs of the tax collection enforcement foreclosure process, any costs accrued by the county real estate division and corporation counsel, plus an additional sum of three (3) percent of all the aforementioned amounts or two hundred dollars (\$200.00), whichever is greater.~~

~~(ii) The taxes for the full year in which the return of the property from the county took place and the amount the taxes, penalties and interest would have been owing in any years had the county not taken tax deed to the property.~~

~~(e) If the former owner(s) do not initiate their ability to have the foreclosed property returned within sixty (60) days of foreclosure by signing an agreed upon written contract with the office of the treasurer, the ability of the homestead owner to have the foreclosed property returned pursuant to this section shall be forever lost.~~

~~(f) The county shall not return title to the property to the former homestead owner until full payment is received as stipulated under section (d) above, and the corporation counsel has received court approval to vacate the foreclosure order regarding the property in question.~~

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

SECTION 2. The provisions of this Ordinance shall become effective upon passage and publication.

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