



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-5508/1  
JK:cdc

## 2021 SENATE BILL 829

January 6, 2022 - Introduced by Senators FELZKOWSKI, BALLWEG, JAGLER, NASS, STROEBEL and L. TAYLOR, cosponsored by Representatives ZIMMERMAN, BROOKS, KUGLITSCH, MAGNAFICI, MOSES, MURPHY, MURSAU and L. MYERS. Referred to Committee on Government Operations, Legal Review and Consumer Protection.

\*\*\*AUTHORS SUBJECT TO CHANGE\*\*\*

1     **AN ACT to repeal** 75.36 (2m) (a) and 75.36 (4); **to consolidate, renumber and**  
2           **amend** 75.36 (2m) (intro.) and (b); **to amend** 75.36 (3) (c); and **to create** 75.36  
3           (3) (bm) of the statutes; **relating to:** distributing the proceeds from the sale of  
4           tax delinquent property to the former owner.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, a county distributes the net proceeds of the sale of tax delinquent property to the former owner of the property if the former owner requests payment and if the former owner used the property as his or her homestead at any time during the five years preceding the county's acquisition of the property. Under the bill, the county pays the net proceeds to any former owner of tax delinquent property, regardless of whether the former owner requests payment and regardless of whether the former owner used the property as his or her homestead.

Upon the county's acquisition of a tax deed on tax delinquent property, current law requires the county treasurer to provide notice to the former owner that the former owner may be entitled to a share of the proceeds of a future sale of the property. If the former owner submits to the county a written request within 60 days after receiving the notice to receive payment, the county will distribute the proceeds to the former owner, minus the amount of any delinquent taxes, interest, and penalties and minus the greater of the following:

1. Five hundred dollars plus 50 percent of the amount obtained by subtracting \$500 from the remaining net proceeds.

**SENATE BILL 829**

2. The actual costs of selling the property, plus 2 percent of the sales price, plus amounts disbursed to taxing jurisdictions to pay for special assessments, special charges, and fees for withdrawing land from the managed forest land program, and plus the amount of the property taxes that would have been owed on the property for the year during which the sale occurs if the county had not acquired the property.

Under the bill, the county distributes to the former owner the proceeds, minus the following: 1) the amount of any delinquent taxes, interest, and penalties; 2) any liens against the property; and 3) the actual costs of selling the property, plus amounts disbursed to taxing jurisdictions to pay for special assessments, special charges, and fees for withdrawing land from the managed forest land program; and plus the amount of the property taxes that would have been owed on the property for the year during which the sale occurs if the county had not acquired the property. The bill eliminates the additional penalty equal to 2 percent of the sales price.

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

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

1           **SECTION 1.** 75.36 (2m) (intro.) and (b) of the statutes are consolidated,  
2           renumbered 75.36 (2m) and amended to read:

3           75.36 **(2m)** NOTICE; PROCEEDS. Upon acquisition of a tax deed under this chapter  
4           ~~if sub. (4) applies,~~ the county treasurer shall notify the former owner, by registered  
5           mail or certified mail sent to the former owner's mailing address on the tax bill, that  
6           the former owner may be entitled to a share of the proceeds of a future sale. ~~If the~~  
7           ~~former owner does not request, in writing, payment within 60 days after receipt of~~  
8           ~~that notice, the former owner forfeits all claim to those proceeds.~~ If the former owner  
9           timely requests payment, the The county shall send to the former owner the proceeds  
10          identified in sub. (3) (c) minus any delinquent taxes, interest, and penalties owed by  
11          the former owner to the county in regard to other property and minus the greater of  
12          the following amounts: ~~(b)~~ The actual costs of the sale as specified under sub. (3) (a)  
13          ~~plus 2 percent of the sale price plus all amounts disbursed under sub. (3) (b) and (bm)~~

**SENATE BILL 829****SECTION 1**

1 and plus the amount of property taxes that would have been owed on the property  
2 for the year during which the sale occurs if the county had not acquired the property.

3 **SECTION 2.** 75.36 (2m) (a) of the statutes is repealed.

4 **SECTION 3.** 75.36 (3) (bm) of the statutes is created to read:

5 75.36 (3) (bm) From the net proceeds of the sale of the property, as determined  
6 under par. (a), pay off any lien placed on the property at the time of the foreclosure  
7 sale in accordance with the contract or law giving rise to the lien. If the net proceeds  
8 are not sufficient to pay all outstanding amounts due, the net proceeds shall be  
9 distributed to such lienholders in priority based upon the date of the lien.

10 **SECTION 4.** 75.36 (3) (c) of the statutes is amended to read:

11 75.36 (3) (c) Distribute any remaining net proceeds ~~that are subject to sub. (4)~~  
12 to the former owner, as provided under sub. (2m).

13 **SECTION 5.** 75.36 (4) of the statutes is repealed.

14 **SECTION 6. Initial applicability.**

15 (1) This act first applies to tax deeds acquired on the effective date of this  
16 subsection.

17 (END)