
FOR IMMEDIATE RELEASE



FOR INFORMATION CALL

June 2, 2015

Ald. Robert J. Bauman
(414) 286-2221

Council approves fast-tracking tax foreclosures

Thanks to legislation adopted by the full Common Council today, the City of Milwaukee will now be able to fast-track the tax foreclosure process on vacant and abandoned homes, a move that will improve the odds against destabilizing blight and vandalism in city neighborhoods.

Alderman Robert J. Bauman, the primary sponsor of the legislation (**File #150164 – attached**), said the city needs the authority to seize abandoned homes before they become targets for theft, crime and blight. The file was adopted by the Council after it was pulled from committee today by Alderman Bauman.

“The policy of the Treasurer’s Office to wait three years to begin In Rem foreclosure proceedings (for unpaid property taxes) against the owners of vacant or abandoned buildings led to homes being stripped of windows and fixtures, plumbing and electrical systems, and devastating vandalism,” Alderman Bauman said.

“When we lose these properties to vandalism or damage caused by water and weather (leaky roofing, open and missing windows, etc.), we are losing our tax base and creating vacant lots that may not be redeveloped for a full generation,” he said.

-More-

Tax foreclosures/ADD ONE

The legislation also allows any Common Council member (or any city department head or designee) to immediately report to the City Attorney's Office when a property is registered in the city's vacant building registry or its residential properties pending foreclosure registry, and that the property is tax-delinquent and eligible for property tax foreclosure. Once it has received a report of this type, the City Attorney's Office will then begin the process of collecting the property taxes owed.

The resolution triggers a notification process by the City Attorney's Office to the Treasurer's Office that will begin property tax foreclosure proceedings (in appropriate cases) as soon as possible (and without the submission of a "Community Improvement In Rem Protocol Form").

..Number

150164

..Version

SUBSTITUTE 1

..Reference

030680, 091517, 100862

..Sponsor

ALD. BAUMAN

..Title

Substitute resolution relating to fast-tracking of property tax collections for vacant or abandoned buildings.

..Analysis

This resolution establishes a policy for fast-tracking property tax collections for vacant or abandoned residential properties that are registered in the City's vacant building registry or in the residential properties pending foreclosure registry.

..Body

Whereas, Section 75.521(3)(a)2, Wis. Stats., allows the City of Milwaukee to commence *in rem* property tax foreclosure against a delinquent parcel when one year has elapsed from the date of the tax certificate for the parcel; and

Whereas, The City Treasurer's current policy is to wait 3 years to foreclose rather than the statutorily allowed one-year period; and

Whereas, During the 3-year period, the City Treasurer's current policy is to refer the delinquency to the Kohn Law firm for it to attempt personal, *in personam*, collection against the property owner under s. 74.53, Wis. Stats., and s. 304-48 of the Code of Ordinances; and

Whereas, Common Council Resolution Number 030680, adopted on September 23, 2003, directed the City Attorney to establish a protocol for fast-tracking tax-delinquent parcels; and

Whereas, In response to this directive, the City Attorney developed a "Community Improvement *In Rem* Protocol" form for use by departments and Common Council members regarding fast-tracking of *in-rem* property tax foreclosure under certain circumstances; and

Whereas, On April 13, 2010, the Common Council adopted Resolution Number 091517, which directed that the protocol form be modified to fast-track residential properties found to be vacant or abandoned; and

Whereas, On November 5, 2010, the Common Council adopted Resolution Number 100862, which directed that the protocol form be further modified to fast track residential properties found to be vacant or abandoned; and

Whereas, A City Attorney opinion issued on December 10, 2012, to the City Treasurer provided background information regarding Common Council Resolution Numbers 030680, 091517 and 100682, and provided a revised "Community Improvement *In Rem* Protocol" form for use by departments and Common Council members regarding fast-tracking of *in-rem* property tax foreclosure under certain circumstances, which specifically addressed vacant or abandoned residential parcels; and

Whereas, The Common Council desires to articulate public policy and rational reason to establish, by resolution, the category of vacant or abandoned residential parcels for which fast-tracking of an *in rem* property tax foreclosure may occur without the need to complete and submit a "Community Improvement *In Rem* Protocol" form; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council, to protect human, safety and welfare, to lessen blight and blighting influence, to promote parcel and neighborhood stabilization, to prevent or minimize deterioration and nuisances, and to save resources, and also recognizing legislative findings in ss. 200-51.7-1 and 200-22.5-1 of the Code, declares the following category of parcels for fast-tracking of foreclosure proceedings without the need to submit a "Community Improvement *In Rem* Protocol" form: parcels improved with single-family or multi-family dwellings where the structures or, as applicable, the units are vacant or abandoned, and where the parcels are registered in the City's "vacant building registry" under s. 200-51.7 of the Code or under the City's "residential properties pending foreclosure registry" under s. 200-22.5 of the Code; and, be it

Further, Resolved, That in addition to the legislative findings in s. 200-51.7 and 200-22-5-1 of the Code, the Common Council also finds, based on City departmental experience, that these types of parcels often deteriorate quickly, suffer from deferred maintenance, become vandalized, and become blighting influences in their respective neighborhoods, such that if they are not quickly acquired and secured by the City, they are more likely to require demolition or substantial, expensive repairs, with the finding being supported by the 5-week redemption period, the policy underlying s. 846.102, Wis. Stats., and by other sources, including articles and materials readily available (e.g., "Fast-tracking foreclosures on vacant properties could result in substantial savings, say Cleveland Fed researchers" available at www.clevelandfed.org); and, be it

Further Resolved, That any City department head or designee, or any Common Council member may report to the City Attorney's Office by e-mail or other written communication a residential parcel that is both of the following:

1. Registered in the "vacant building" registry under s. 200-51.7 of the Code or in "residential properties pending foreclosure" registry under s. 200-22.5 of the Code.

2. Tax-delinquent and eligible for property tax foreclosure.

; and, be it

Further Resolved, That after receiving a report of this type, the City Attorney's Office shall make inquiry regarding *in personam* collection status relating to the reported parcel by or on behalf of City collection agents under s. 74.53, Wis. Stats. and s. 304-48 of the Code; and, be it

Further Resolved, That after ascertaining *in personam* collection status, the City Attorney's Office shall report to the initiating department head or Common Council member and to the City Treasurer:

1. Those parcels that have not been referred to the collection agent for *in personam* collection.
2. Those parcels that may be referred back to the City from the collection agent without jeopardizing payment, judgment or court status.

; and, be it

Further Resolved, That the City Treasurer shall take appropriate steps to cause the parcels reported to the Treasurer by the City Attorney's Office to be placed into property-tax foreclosure as soon as possible without the need for submission of a "Community Improvement *In Rem* Protocol" form; and, be it

Further Resolved, That this resolution shall not affect do-not-acquire holds or status placed on any parcel due to environmental hazards or concerns; and, be it

Further Resolved, That, except as provided herein, the "Community Improvement *In Rem* Protocol" form and process shall continue.

..Requestor

..Drafter
LRB158157-2
Jim Carroll
May 14, 2015