

Effective April 1, 2022

Change in WI Stats. 75.36 as it pertains to distribution of proceeds from the sale of tax delinquent property to the former owner. *See 2021 WISCONSIN ACT 216.*

2021 Wisconsin Act 216 makes significant changes to the law.

- Counties must notify the former property owner that the former owner may be entitled to a share of the proceeds of a future sale.
- Counties are required to send any surplus proceeds (net of payments on liens?) from a tax-foreclosure sale to the former property owner (both homestead and non-homestead properties).
- Counties no longer may keep surplus of proceeds, unless the following occurs:
- Only if the county is unable to locate the former owner within 5 years following the mailing of the required notice does the former owner forfeit the right to any remaining equity in the property.

Implications for Wisconsin to be discussed.

- Under Wisconsin law, a former owner loses any right to surplus proceeds if the former owner cannot be located within 5 years.
- Valuation of properties: is the former property owner entitled to surplus proceeds leftover from sale (regardless of when the sale occurs) or entitled to the difference between the value of the property (Fair Market Value) and the tax debt at the time of transfer of title? If the latter, how do you determine value?
- Wisconsin law currently only provides a right to surplus proceeds if a county subsequently sells the tax-foreclosed property, but counties are not required to sell the properties.
- Under the U.S. Supreme Court decision in: *Tyler v. Hennepin Co., Minn.*: a county that retains ownership of a tax-foreclosed property would seemingly need to compensate the former owner for any excess value in the property beyond the unpaid tax liability.

Tax Deed Parcel Evaluation for Auction

PARCEL	ADDRESS	EST DEL OWED	ASSESSMENT	FAIR MARKET VALUE	DESCRIPTION
01-122-01-280-019	6606 32 nd Ave, Kenosha	\$ 21,444	\$128,500	\$171,600	Single Family
04-122-12-176-018	7832 22 nd Ave, Kenosha	\$ 28,812	\$130,400	\$174,100	Single Family
05-123-06-313-015	1308 69 th St, Kenosha	\$ 32,282	\$ 74,200	\$ 99,000	Single Family
05-123-06-454-015	7408 10 th Ave, Kenosha	\$ 28,629	\$ 88,900	\$118,700	Single Family
10-223-19-351-002 <i>Order to Repair</i>	1807 27 th St, Kenosha	\$ 37,304	\$139,900	\$186,800	Single Family
12-223-31-236-022 <i>Order to Repair</i>	4710 18 th Ave, Kenosha	\$ 29,424	\$ 87,500	\$116,900	Single Family
12-223-31-277-036 <i>Access ingress/egress</i>	5106 14 th Ave, Kenosha	\$ 3,662.80	\$ 26,100	\$ 34,800	Single Family
12-223-31-336-019 <i>Order to Repair</i>	1830 55 th St, Kenosha	\$ 20,293	\$ 72,200	\$ 96,400	2 Family
82-4-222-143-0190	17 TH St, Somers	\$ 27,058	\$116,000	\$136,800	Vacant – 2 Acres
83-4-223-064-0340	914 7 th St, Somers	\$ 54,457	\$257,400	\$303,500	Single Family 6 Acres