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October 20, 2014

VIA EMAIL

Alderman Robert Bauman
City Hall, Room 202
Milwaukee, WI

Aaron Cadle
Legislative Reference Bureau

Re: Fast-Track *In Rem* Proposal

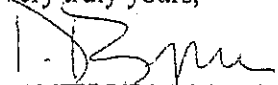
Dear Alderman Bauman and Mr. Cadle:

Per our meeting with you in August, 2014, the follow-up meeting in October, 2014 between you and Danielle Bergner, and your request, we enclose a proposed resolution to fast-track for property-tax foreclosure, without use of the Community Improvement *In Rem* Protocol form, a category of abandoned or vacant residential parcels, where those parcels are also registered in the City's vacant building registry, MCO 200-51.7, or where they are abandoned residential property pending mortgage foreclosure and registered under MCO 200-22.5.

We will be happy to discuss this with you at your convenience.

Realize, however, that certain things remain to be worked out – for example, coordination with the Treasurer, DNS and DCD.

Very truly yours,


DANIELLE M. BERGNER
Deputy City Attorney


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GCH:lmc
Enclosure

c: Linda U. Burke (via email)
Joanna Gibelev (via email)

1033-2014-2427:208327



..Number

..Version

..Reference

100862

091517

030680

..Sponsor

Ald. Bauman

..Title

Resolution regarding fast-tracking of property-tax collection for vacant or abandoned residential parcels that are registered under MCO 200-51.7 or under MCO 200-22.5

..Analysis

This Resolution establishes Council-directed policy regarding fast-tracking of property-tax collection for vacant or abandoned residential parcels that are registered under MCO 200-51.7 or under 200-22.5.

Resolution

..Body

Whereas, Wis. Stat. 75.521 (3)(a)2 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 internal policy is to wait three years, rather than the statutorily allowed one-year period; and

Whereas, During the three-year period, the Treasurer's current policy is to refer the delinquency to the Kohn Law Firm for it to attempt personal, *in personam*, collection against the owner under Wis. Stat. 74.53 and Milwaukee Code of Ordinances ("MCO") 304-48; and

Whereas, By Council Resolution 030680, adopted September 23, 2003, the Council directed the City Attorney to establish a protocol for fast-tracking tax-delinquent parcels; and, in response, the City Attorney did develop a "Community Improvement *In Rem* Protocol" form for use by departments and alderpersons regarding fast-tracking of *in rem* property tax foreclosure under certain circumstances; and

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

Whereas, By Council Resolution 100862, adopted November 5, 2010, the Council also directed that the protocol form be modified to fast-track residential properties found to be vacant or abandoned; and

Whereas, The City Attorney, by opinion dated December 10, 2012 to Treasurer Spencer Coggs, provided background information regarding each of Council Resolution Files 030680, 091517, and 100862, and provided a revised "Community Improvement *In Rem* Protocol" form for use by departments and alderpersons regarding fast-tracking of *in rem* property tax foreclosure under certain circumstances, which revised form, in section 4A, specifically addressed vacant or abandoned residential parcels; and

Whereas, The Common Council wishes to, and hereby does, articulate public policy and rational reason to establish by resolution the category of vacant or abandoned residential parcels for which fast-tracking of *in rem* property tax foreclosure may happen without 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, health, safety and welfare, to lessen blight and blighting influence, to promote parcel and neighborhood stabilization, to prevent or minimize deterioration and nuisance, and to save resources, and also recognizing the legislative findings made under MCO 200-51.7-1 and under 200-22.5-1, declares the following category of parcels for fast-tracking, without the need to submit a "Community Improvement *In Rem* Protocol" form - parcels improved with a single family or multi-family residential dwelling where the structure or, as applicable, the units are vacant or abandoned, and where the parcels are registered in the City's "vacant building" registry under MCO 200-51.7 or under the City's "residential properties pending foreclosure" registry under MCO 200-22.5; and be it

Further Resolved, that, in addition to the legislative findings in MCO 200-51.7-1 and in MCO 200-22.5-1, the Council also finds, based on City departmental experience, that these type parcels often deteriorate quickly, suffer from deferred maintenance, become vandalized, and become a blighting influence in their respective neighborhoods, such that if they are not acquired and secured with dispatch, they are more likely to require demolition or substantial, expensive repairs, which findings are also supported by the 5-week redemption period and policy behind Wis. Stat. 846.102 and by other sources including articles and materials readily available (e.g. "Fast-tracking foreclosures on vacant properties could result in substantial cost savings, say Cleveland Fed researchers" available at www.clevelandfed.org); and be it

Further Resolved, that, any Department Commissioner or designee, and any Alderperson, may report to the City Attorney's Office by e-mail or other written communication a residential parcel (i) that is registered in the MCO 200-51.7 "vacant building" registry or in the MCO 200-22.5 "residential properties pending foreclosure" registry, and (ii) that is also tax-delinquent and eligible for property tax foreclosure; and be it

Further Resolved, that after such reporting to the City Attorney's Office, the City Attorney shall make inquiry regarding *in personam* collection status relating to the reported parcel by or on behalf of City collection agents under Wis. Stat. 74.53 and MCO 304-48; and be it

Further Resolved, that, after ascertaining *in personam* collection status, the City Attorney's Office shall report to the initiating Department Commissioner or Alderperson and to the City Treasurer (i) those parcels that have not yet been referred to the collection agent for *in personam* collection, and (ii) 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 Treasurer shall take appropriate steps to cause the parcels reported to the Treasurer by the City Attorney to be placed into property-tax foreclosure as soon as practicable without the need for submission of a "Community Improvement *In Rem* Protocol" form; and be it

Further Resolved, that this resolution does not affect do-not-acquire holds or status placed on any parcel due to environmental hazard or concern; and be it

Further Resolved, that, except as provided for herein, the "Community Improvement *In Rem* Protocol" form and process of using same shall continue.

..Requestor

..Drafter