

Sheriff Deeds - Recordation Problem

**Zoning, Neighborhoods &
Development Committee**

May 5, 2014

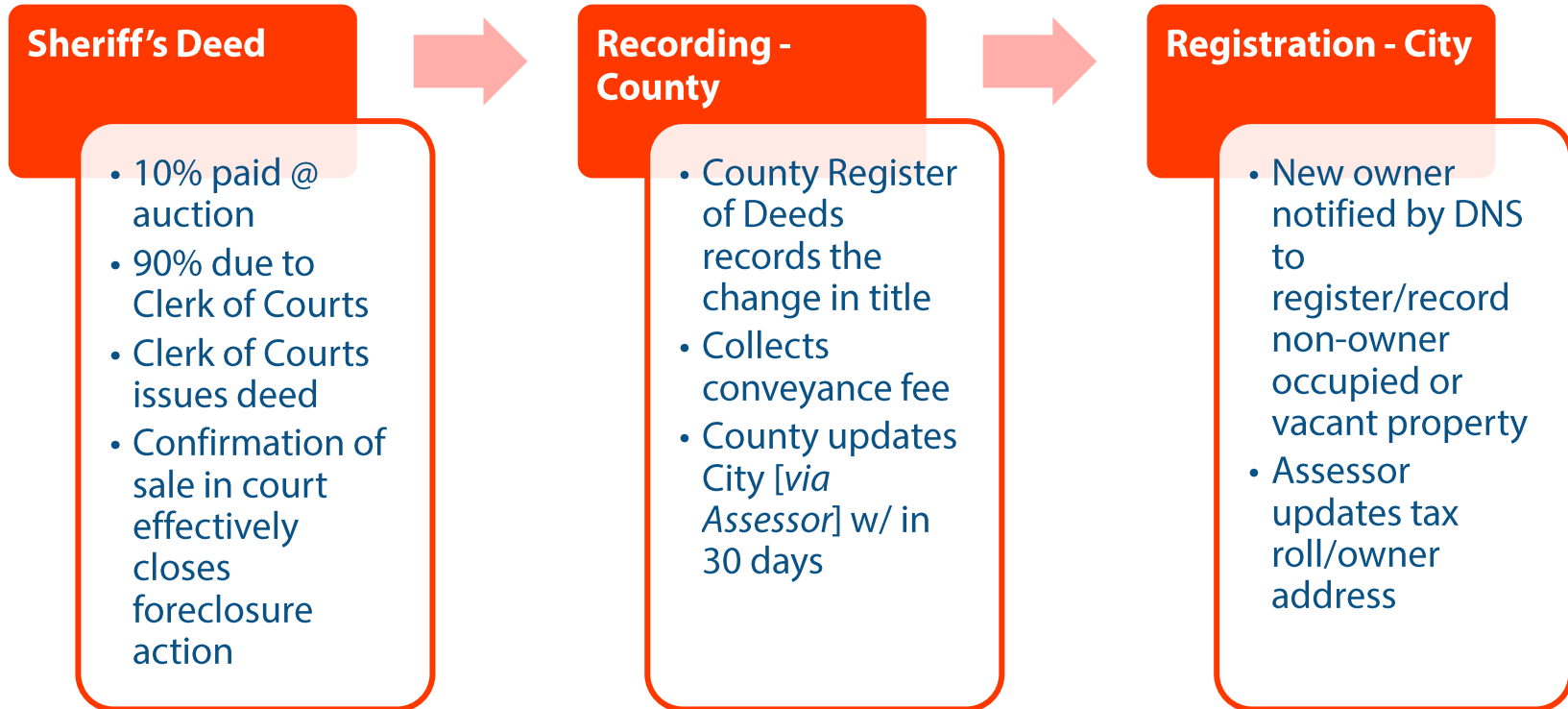
Recording Deeds

- Most buyers WANT to record and make their ownership **official & public**
- Non-recording allows new owner to avoid accountability while retaining legal ownership
- Recording of any deed is NOT mandatory under current law
- Unsecured, cash transactions far more likely to be un-recorded

Bad Actors?

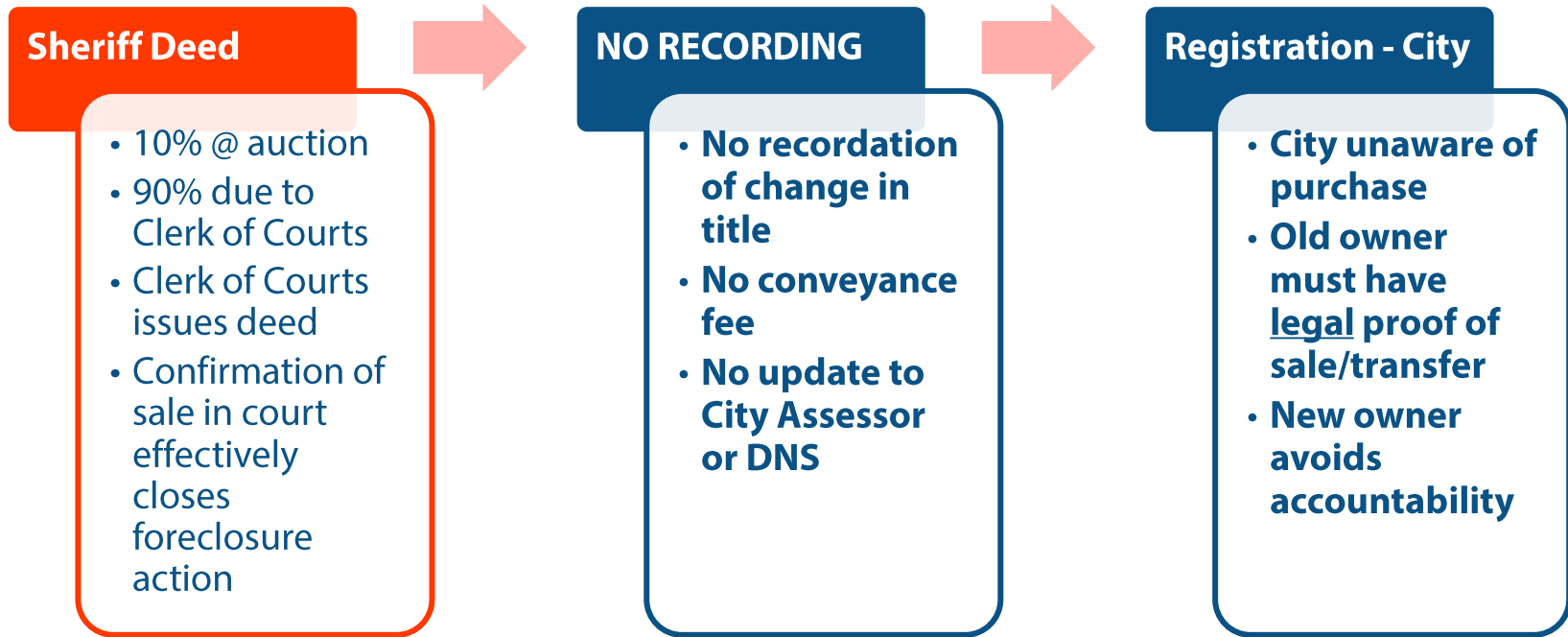
- Sheriff auctions & deeds are niche market:
 - 12,664 total sales in Milwaukee in 2014
 - Only 1,607 recorded Sheriff's Deeds (13%)
- Tax delinquency often part of the buyer business model
- Some buyers quickly “flip” and settle taxes & ownership w/ recorded deed
- Some buyers avoid recording and accountability for extended periods of time

“Normal” Sheriff sale & recordation



- **Assumption:** buyer records deed after the Clerk issues it
- **Public record is then clear on transfer of ownership & accountability**

“Shady” Sheriff sale - no recordation



- No ownership accountability for City, neighbors, tenants
- Delinquent taxes, code violations, etc. put on former owner
- Burden of proof on buyer or seller to prove/disprove responsibility for taxes, fees, and property maintenance

Internal process

- “Normal” flow of information for recorded deeds:
Clerk of Courts > Register of Deeds >
Assessor/MPROP > DNS
 - Correct in **99+**% of cases
- DNS also collects range of information to support Vacant Bldg. Registry, RPPF, RRI, etc.
 - Not just ownership, but may include deeds
- Assessor only draws ownership from Register of Deeds
 - Recorded deed = gold standard for transfer/assessment

How do we fix it?

- Assessor will begin coordinating info with DNS on:
 - Sheriff Deeds
 - Other ownership transfer
- Assessor will continue to coordinate with the Treasurer
- Continued scrutiny by City Attorney and DNS to foreclosure transactions
 - Proper closing of cases w/ confirmed sale
 - Verify deeds and
- Referral to MPD, District Attorney, WI Revenue, and IRS as appropriate
- City assist on pending State legislation [Rep. Goyke] to make recordation of Sheriff Deeds mandatory