



Meeting: Village Board
Meeting Date: 8/8/11
Agenda Item: 8c

Mission Statement

Delivering quality services in a courteous, cost-effective and efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
Village Board of Trustees

REPORT FROM: Chris Haltom, Executive Director of Administrative Services

AGENDA ITEM: Review and take action on abating property taxes for VH-917-M-301

POLICY ISSUE

Will the village board abate the 2009 outstanding property taxes on parcel VH-917-M-301, property that is owned by the State of Wisconsin?

BACKGROUND INFORMATION

Over the past four years, the State of Wisconsin Department of Transportation (DOT) has been purchasing property along the US Hwy 41 and Hwy 29 corridors. The DOT is a tax-exempt organization for property tax purposes, so any properties they purchase generally become exempt from property taxes in the year following the purchase. There are exceptions to this general rule for properties DOT purchases then subsequently leases back to another party; in this situation, the property remains taxable.

Village assessor, Mike Denor, has been working with the state to identify property they purchased in order to properly classify the property as exempt or taxable depending on the circumstances. There are two parcels the state has yet to pay the back property taxes while DOT Real Estate Program Associate, Alice Meurer, works to properly identify properties throughout the state that should be exempt with no taxes due. Alice recently contacted the Village in regards to parcel VH-917-M-301 thinking the DOT was not responsible for property taxes for 2009 as leases expired in October 2008.

Mike Denor worked with Alice in order to secure payment from DOT for 2009 property taxes. Please read the email correspondence attached to this email for additional information related to their discussions.

The DOT proposes to pay half of the current outstanding property taxes for this parcel for 2009. Mike has worked with them to secure this payment, and the remainder of the taxes would need to be abated (or forgiven) by the village in order to remove the outstanding balance from Brown County's records.

The County Treasurer has asked the village to remove the balance through abatement. The reason for his request is due to the fact he is responsible to foreclose on property that has real property taxes outstanding for more than three years. He will not be able to foreclose on the state-owned property as a political subdivision of the state. If the taxes are not abated, they will remain on the county's records without the County Treasurer being able to collect. Staff recommends abating the property taxes after DOT makes their payment for one-half of the outstanding taxes plus interest and penalties.

PRIOR ACTION/REVIEW

None

RECOMMENDED ACTION

Village staff recommends the Village Board makes the following motion:

“I make a motion to abate one-half the outstanding property taxes on parcel VH-917-M-301 contingent upon DOT making payment for the other one-half of the liability.”

POLICY ALTERNATIVE(S)

- Do nothing and allow the property taxes to remain delinquent.
- Make abatement for a different amount.

ATTACHMENTS

- I.** Excerpt from Emails from Michael Denor, Chris Haltom and Alice Meurer of Wis DOT

ATTACHMENT I

Chris,

DOT will be paying ½ of bill including interest and penalty. Current balance with interest and penalty = \$2,544.56 . Alice's email indicates a payment of \$1,272.28.

Have a good evening,

Mike

From: Chris Haltom [mailto:CHaltom@villageofhoward.com]
Sent: Tuesday, August 02, 2011 3:04 PM
To: 'Michael Denor'
Subject: RE: VH-917-M-301

Mike,

Do they plan on paying any of the interest and finance charges on the back taxes? I did not look up the amount she mentioned on the county's system to see if it included those extra fees.

Chris

From: Michael Denor [mailto:mikedenor@new.rr.com]
Sent: Tuesday, August 02, 2011 1:56 PM
To: 'Meurer, Alice - DOT'
Cc: Chris Haltom
Subject: RE: VH-917-M-301

Hello Alice,

As a follow –up to our conversation this morning. We have an agreement to settle the outstanding 2009 tax levy on VH-917-M-301. Your office has agreed to pay ½ the outstanding tax levy. I understand that it may take up to 3 weeks for the payment to be made. The payment will be made to the Brown County Treasurer's office and applied to VH-917-M-301.

Thank you and your supervisor for understanding the Village's position and willingness to reach an agreement.

Mike Denor

From: Meurer, Alice - DOT [mailto:alice.meurer@dot.wi.gov]
Sent: Friday, July 29, 2011 2:27 PM
To: 'Michael Denor'
Subject: VH-917-M-301

Hi Mike,

I have reviewed the delinquent tax situation with my supervisor regarding parcel VH-917-M-301 (formerly the Remiker property).

In going through the relocation file for these people, the rental agreement did not specify a definite termination date. Diary notes indicate the Remikers were no longer living in the duplex as of October 15, 2008. DOT also paid the invoice for moving costs (completed by Skaletski Moving and Storage), and the utilities were switched to the DOT as of October 15th.

Even though the Remikers had moved out of the house, they still continued to rent the garage for 2 months at a reduced rate of \$150. They had found it hard to move the contents in the garage and the boat, wheel barrow and other miscellaneous items in the yard, due to so much snow and ice. Warmer weather in February enabled them to finally complete the move.

My supervisor suggested prorating the 2009 taxes since the former tenants did not actually live on the property since October 2008. The DOT would be responsible for only January and February.

Please advise if this arrangement would be acceptable to the County.

Thank you,

Alice Meurer
Real Estate Program Associate
(920) 492-2387
Fax (920) 492-0144
alice.meurer@dot.wi.gov
WisDOT - NE Region
944 Vanderperren Way
Green Bay WI 54304