

No. 662, A.]

[Published May 23, 1903.]

## CHAPTER 378.

AN ACT relating to the taxation of mortgages and mortgaged real estate.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**Terms defined.** SECTION 1. For the purposes of this act the term "mortgage" shall be construed to include every mortgage or other conveyance of real estate and every lien thereon created by contract, given or intended as security for the payment of money, and shall also include the indebtedness secured to be paid by such mortgage or other conveyance or lien. The term "mortgagee" shall be construed to include the holder of any such security, and the term "mortgagor" shall be construed to include the owner of the real estate subject to such security or the person entitled to redeem therefrom.

**Separate assessments, when made.** SECTION 2. Whenever taxable real estate shall be subject to mortgage such mortgage for the purposes of taxation shall be deemed an interest in such real estate and shall be assessed and taxed as such interest in the assessment district in which such real estate is located, and not otherwise and may be separately assessed and taxed as hereinafter provided. When so separately assessed the interest of the mortgagor in such real estate shall be assessed for only such value or amount as shall remain after deducting the assessed value of the interest of the mortgagee from the assessed value of the entire real estate.

**Both interests may be assessed together, when.** SECTION 3. At the option of the mortgagor both such interests may be assessed and taxed together, without separate valuation, to the mortgagor or occupant the same as unincumbered real estate. In such case the combined valuation of both interests shall not exceed the just valuation which should be placed upon such real estate if unincumbered.

**Rules of assessment.** SECTION 4. In case the interest of the mortgagee shall be separately assessed, the following rules shall be observed:

1. The valuation of the interest of the mortgagee shall be according to the true value thereof upon the same basis that other taxable property is valued in the same district, and such valuation shall not exceed the just valuation which should be placed upon the mortgaged real estate if unincumbered.

2. If more than one mortgaged interest in the same real estate shall be required to be separately assessed and it shall be found necessary to reduce the valuation of such interests in order not to exceed the just value of the mortgaged real estate, such reduction shall be made upon such interests in the inverse order of their priority.

3. If the several parcels of real estate requiring separate valuation shall be subject to one mortgage, the interest of the mortgagee shall be apportioned among such several parcels according to the just valuation of such parcels. In case such parcels shall be situated in more than one assessment district the amount of the interest of the mortgagee to be assessed in each district shall be in proportion to the value of such real estate in such district, which proportions shall be determined by the assessors of such districts, or a majority of such assessors at a meeting which may be called for that purpose by one or more of them by notice in writing, specifying a time and place for such meeting in one of such districts, to be served personally or by leaving the same at the residence of the assessor to be served, in time to enable the person served to be present.

4. Where the valuation of buildings as improvements is required to be separately noted upon the assessment roll as provided by chapter 92 of the laws of 1901, the value of such improvements shall be apportioned between the valuation of the interests of the mortgagor and the valuation of the interest of the mortgagee in proportion to the valuation of their respective interests as entireties.

SECTION 5. When the interest of a mortgagee in any real estate shall be separately assessed and taxed as provided in this act, the tax on such interest shall constitute a lien upon such real estate the same as other taxes upon real estate, and the collection thereof may be enforced the same as other taxes upon real estate. Such tax if uncollected, shall be separately returned as delinquent; but at the tax sale, if unredeemed, the interest of the mortgagor and the mortgagee shall be sold together for the amount of taxes on both interests, with interest and charges thereon, and a single certificate of sale shall be issued thereon. The mortgagor may pay the tax on the interest of the mortgagee, or may redeem the land from the lien of such tax after

its return as delinquent. The amount so paid, with interest thereon at the rate specified in the mortgage, shall be a lawful offset in favor of the mortgagor against the indebtedness secured by such mortgage and may be deducted from any amount then due or thereafter to become due on such indebtedness.

**Taxpayer may be examined under oath.** SECTION 6. The second clause of section 1056 of the statutes of 1898 is hereby amended so as to read as follows: To determine the amount of money and of debts due and to become due, other than debts secured by mortgage or other conveyance of real estate in this state, for which any person should be assessed, and the amount of bona fide and unconditional debts owing which any person may be entitled to deduct from credits as exempt, such person shall be required to make a statement thereof under oath, giving the average amount of such moneys and of such debts due and to become due other than debts secured by mortgage or other conveyance of real estate in this state owned or held by him, and the average amount of debts by him owing which he may be so entitled to deduct, for each and every month during the year ending on the first day of May; and the average amount for such year, so determined, shall be assessed for taxation.

**Exemption on account of debt, when not allowed.** SECTION 7. The exemption on account of debts owing provided in subdivision 10 of section 1038 shall not be allowed in respect to any mortgage required to be assessed as an interest in real estate under the provisions of this act, nor in reduction of or offset to the indebtedness secured by any such mortgage.

**Mortgages unaffected by this act.** SECTION 8. All provisions of law whereby mortgages of real estate held by insurance companies or other persons or associations are exempted from taxation, either expressly or by necessary implication shall remain unaffected by the provisions of this act.

**Mortgages unaffected by this act.** SECTION 9. The provisions of this act shall not apply to mortgages upon property assessed by a state board of assessment nor to mortgages upon property of persons, associations or corporations taxed by license fee or other special method in lieu of taxation upon such mortgaged property, but shall apply only to mortgages upon property subject to direct assessment and taxation under the general assesment and tax laws of the state.

SECTION 10. This act shall take effect and be in force from and after its passage and publication, and shall apply to the assessment to be made in the year 1903.

Approved May 21, 1903.

No. 676, A.]

[Published May 25, 1903.

## CHAPTER 379.

AN ACT to legalize bonds for the payment of money issued by cities of this state heretofore made and negotiated without a vote of the people.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**Bonds legalized.** SECTION 1. All bonds for the payment of money heretofore issued by any city of this state for a lawful purpose and which have been heretofore sold and the consideration therefor received and used by such city for lawful municipal purposes shall not be held invalid for the reason that the question of issuing such bonds was not submitted to the people, and all bonds heretofore issued and negotiated as aforesaid and which are invalid for the reason only that any law as to a vote of the people was not complied with, are hereby declared to be legal, valid and binding obligations to the extent that the same would have been had the question of their issue been submitted to a vote of the people of such city.

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved May 21, 1903.