



ROBERT BROOKS

STATE REPRESENTATIVE • 60TH ASSEMBLY DISTRICT

Senate Committee on Economic Development, Commerce, and Local Government
Wednesday, May 3, 2017
Room 300 Southeast State Capitol
12:00 P.M.
Testimony, Senate Bill 123

Chairman Feyen and members of the Senate Committee on Economic Development, Commerce, and Local Government, thank you for holding a hearing on Senate Bill 123 and affording me with the opportunity to testify in favor of this legislation.

Senate Bill 123, akin to the previous bill, is a technical fix designed to remedy outmoded statutory language. The bill ensures property taxes are properly distributed to local taxing entities, chiefly, schools, municipalities, counties, and technical colleges.

Most property tax payments made in December and January, are paid to, and collected by, municipal treasurers. Municipalities retain a share of the property tax and distribute the remainder to other taxing jurisdictions. In addition to counties receiving their share of the property tax levy, they also serve as a collection agent for the state property tax levy, which is passed through the county to the state.

Wisconsin State Statutes 70.67 was intended to ensure taxing jurisdictions receive their share of the local property tax. Under current law, unless the municipality enacts an ordinance for payment of the taxes, a municipal treasurer must execute a surety bond in an amount that is twice the amount of the taxes, but no more than \$500,000. If, however, the bond is executed or guaranteed solely by a surety company on the municipal treasurer's behalf, the amount of the bond must be the amount of the taxes, but no more than \$250,000.

Due to the antiquated nature of this statute—it has not been amended since 1991—Wisconsin's surety bond threshold is no longer sufficient to cover the state and county tax levy in the event a municipality is unable to distribute the property tax.

This bill updates Wisconsin State Statutes 70.67 to require municipalities to enact either an ordinance guaranteeing proper distribution of property taxes to other taxing jurisdictions, or to attain a surety bond in an amount not less than the total state and county property tax levy.

Thank you for your time and attention and I ask that you support this legislation. I would be happy to answer any questions.



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MEMORANDUM

TO: Honorable Members of the Senate Committee on Economic Development,
Commerce and Local Government

FROM: Kyle Christianson, Director of Government Affairs
Sherri Hawkins, Wisconsin County Treasurer, Green County
Teri Jacobsen, Wisconsin County Treasurer, Kenosha County
Adam Gallagher, Wisconsin County Treasurer, Dane County
Lynn Neeck, Wisconsin County Treasurer, Price County
Michael Schlaak, Wisconsin County Treasurer, Calumet County

DATE: May 3, 2017

SUBJECT: Support of Senate Bill 123: Municipal Treasurer's Bond

The Wisconsin Counties Association (WCA) and Wisconsin County Treasurers' Association (WCTA) jointly support Senate Bill (SB) 123, which requires municipalities to either (1) pass an ordinance guaranteeing proper distribution of property taxes to other taxing jurisdictions; or (2) execute a surety bond that guarantees the payment of taxes to the county treasurer. This surety bond, however, must be no less than the amount of taxes due to the state and county.

Under current law, municipalities collect and retain a share of the property tax and redistribute the remainder to other taxing jurisdictions. Wis. Stat. § 70.67 is intended to ensure that taxing jurisdictions receive their share of local property taxes. In addition to counties receiving the county share of the property tax, the county also serves as a collection agent for the state property tax levy, which is passed through the county to the state.

Currently, unless a municipality enacts an ordinance for the payment of taxes, a municipal treasurer must execute a surety bond that cannot be in excess of \$250,000. Due to the statute not being updated since 1991, the surety bond threshold is no longer sufficient to cover the state and county tax levy in the event a municipality is unable to distribute the property tax. This means county and state budgets could be jeopardized if a municipality is unable to make the payment.

WCA and WCTA respectfully request the Committee support SB 123 to ensure local governments receive their share of the property tax.