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WISCONSIN STATE REPRESENTATIVE

41<sup>ST</sup> ASSEMBLY DISTRICT

**Assembly Bill 141: Due Dates for Paying Local Property Taxes**  
**Testimony of State Representative Joan Ballweg**  
**Assembly Committee on Local Government**  
**May 7, 2019**

Thank you, Chair Novak and members of the committee for hearing Assembly Bill 141 today. This legislation was introduced at the request of the Wisconsin County Treasurer's Association with the support of the Wisconsin Counties Association.

Under current law, a five day grace period is allowed for payments of real and personal property taxes. AB 141 proves clarity by settling differing opinions county treasurers have received from the Department of Revenue regarding the end of the grace period when the due date lands on a weekend.

By implementing these simple clarifications, treasurers around the state will be able to apply property tax payments with consistency and uniformity by:

- Clearly defining the grace period as five business days from the statutory due date of January 31 and specifying a clear deadline for due dates that fall on a weekend;
- Clarifying payments received with proper post-marks on or before the statutory due date regardless of when the payment is physically received will be considered received by the due date.

With me here today are county treasurers who sought this legislative clarification.

Thank you for your consideration and I'm happy to answer questions.



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# DEVIN LEMAHIEU

## STATE SENATOR

### **Assembly Committee on Local Government Testimony on Assembly Bill 141 May 7, 2019**

Chairman Novak & Members,

Thank you for holding today's hearing on Assembly Bill 141. This simple, bipartisan legislation fixes two ambiguities in current law regarding when property tax bill payments are due to a local treasurer.

Property tax payments are generally due each year on January 31<sup>st</sup>. However, a 2006 law grants homeowners a short "grace period" during which property taxes can be paid late without penalty. This grace period is defined as "five working days."

This law has occasionally led to confusion when January 31<sup>st</sup> falls on a weekend. County treasurers have received different interpretations from the Wisconsin Department of Revenue regarding when the grace period ends.

Another problem occurs when payments are postmarked within the grace period but received after the grace period by the local treasurer. Current law is ambiguous regarding whether taxpayers should be penalized in this instance.

Assembly Bill 141 makes two changes to current law:

1. Clarifies that the five day grace period ends on the Friday after January 31<sup>st</sup> if January 31<sup>st</sup> falls on a weekend.
2. Clarifies that a property tax payment is not late as long as it is postmarked within the grace period.

This legislation was requested by my local Calumet County Treasurer on behalf of the Wisconsin County Treasurers' Association. It is also supported by the Wisconsin Counties Association, the Wisconsin Realtors Association, and the League of Wisconsin Municipalities.

Thank you for your consideration. I am happy to answer questions.

To: The Committee on Local Government, Small Business, Tourism and Workforce Development

RE: Support for 2019 Assembly Bill 141 & Senate Bill 146  
Relating to Dues Dates for Paying Property Taxes

Good Morning,

I am here today to testify in support of Assembly Bill 141 and Senate Bill 146 for the clarification of the due date for payment of property taxes.

The purpose of this legislation is for clarification and benefit on two key areas.

**#1. To eliminate late penalties on the taxpayer based on postal delay.**

Current statutes state that payment must be post-marked and/or received within the 5 day grace period. Payments received outside of this timeframe, even if post-marked on/before the due date are to be considered delinquent. This legislation changes this current practice and no longer penalizes the tax payer for postal delay...a delay outside of taxpayer control.

**#2. To clarify the due date falling on the "weekend rule" when applying the 5 days of the grace period**

Current statutes are somewhat vague regarding the due falling on a Saturday, Sunday or Holiday. There are 2 differing DOR opinions accordingly.

This legislation will clarify and create a more defined consistent practice in which the grace period will be 5 business days after the due date, regardless of the day of the week.

WCTA (Wisconsin County Treasurer's Association) and WCA (Wisconsin Counties Association) have discussed this concern and DOR does not oppose this legislation.

In summary, the intent of the grace period was to provide "grace" for those taxpayers who innocently forgot to pay their property taxes timely. Unfortunately, some details of the original legislation have been either exploited or overlooked since inception in 2009. Assembly Bill 141 and Senate Bill 146 will make logical, common sense changes in these areas and will be implemented and put into practice uniformly throughout the State by County and Municipal Treasurer's alike.

On behalf of the Wisconsin County Treasurer's Association, I am asking passage of Assembly Bill 141 and Senate Bill 146.

Thank you for your time and consideration.

Michael V Schlaak  
Calumet County Treasurer  
WCTA-Legislative Chair



Office of Juneau County Treasurer

To: Assembly Committee on Local Government Members  
From: Denise J. Giebel, Juneau County Treasurer  
Date: May 7, 2019  
RE: Support for 2019 Assembly Bill 141 & Senate Bill 146  
Relating to Dues Dates for Paying Property Taxes

Good Morning,

I am here today to testify in support of Assembly Bill 141 and Senate Bill 146 for the clarification of the due date for payment of property taxes.

Beginning in 2010 for 2009 property taxes, tax payers were given a 5 working day grace period to pay their taxes without any interest and penalty from the due date of January 31<sup>st</sup> and July 31<sup>st</sup> to the respective official.

There is a gray area within the Wisconsin State Statutes Subchapter 74.11 Dates for payment of taxes, special assessments and special charges and Subchapter 990.001 (4) Construction of laws; rules for Time, How Computed which allows that the due date to be moved to the next business day.

The intent of the 5 day working grace period was for the due date to be the 31<sup>st</sup> respectively regardless of when the 31<sup>st</sup> fell; not to potentially extend the grace period date for a timely payment to be February 9<sup>th</sup> or August 9<sup>th</sup>.

While we as county treasurers' work with our local municipalities on the grace period date, confliction has occurred when taxpayers ask various agencies what the last date is to pay their property taxes. When given wrong information, taxpayers are not happy to pay interest and penalty in addition to their taxes and no option to postpone their second installment because interest and penalty accrue until paid in full.

On behalf of the Wisconsin County Treasurers' Association, I am asking for your support with the passage of this bill for clarification and consistency throughout all counties of the State of Wisconsin.

Thank you,



Denise J. Giebel  
Juneau County Treasurer



# Wisconsin County Treasurers' Association

May 7, 2019

TO: Assembly Committee on Local Government Members (9)  
FROM: Adam Gallagher, WCTA President, Dane County Treasurer

RE: Support companion bills 2019 **Assembly Bill 141** & **Senate Bill 146**  
Relating to: Due Dates for Paying Property Taxes

The Wisconsin County Treasurer's Association supports companion bills AB-141 and SB-146. These bills serve two primary purposes regarding the due dates for paying property taxes.

1. These bills **clarify, codify, and standardize** property tax collection across the state.
  - a. They eliminate ambiguity of the end of the grace period, and
  - b. They better define what constitutes a timely payment.
2. These bills also **reduce taxpayer burden** when there is a delay in delivery after a timely US Postal Service postmark.
  - a. Currently, one of two ways to consider a payment received late as timely is to obtain written proof of delay or error by the USPS.
  - b. AB-141 and SB-146 provide that any payment mailed with a USPS postmark on or before the prescribed due date is considered timely, regardless of when it is received, thereby not creating additional responsibility or frustration for the taxpayer.

The first of these purposes is to remove ambiguity in the "grace period" for taxpayers and treasurers. For example ...

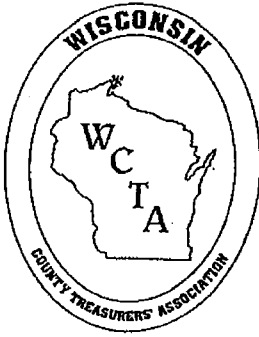
1. Over the years, there has been variation in state interpretation of the grace period when the prescribed due date falls on a weekend or holiday.
  - a. Some guidance start the grace period the 1<sup>st</sup> business day after the prescribed due date.
  - b. Other guidance start the grace period the 2<sup>nd</sup> business day after the prescribed due date given that the 1<sup>st</sup> business day after is already timely by statute.
2. There has also been variation between counties.
  - a. Some counties accept a USPS postmark from during the grace period as timely, regardless of when the payment is received.
  - b. Other counties use the end of grace period as the "received by date" to determine a timely payment.

The second purpose establishes that a payment is to be considered timely when a US Postal Service postmark is on or before the prescribed due date, which eases the property tax payment process.

1. This removes any additional burden on taxpayers to get a written explanation from the USPS.
2. This also expedites processing tax payments and improves transparency of tax payment status.

Please **support** companion bills 2019 **Assembly Bill 141** & **Senate Bill 146**.

Thank you.



# Wisconsin County Treasurers' Association

March 2019 Seminar

Resolution No. 2019-01

**WHEREAS**, Statute 74.69 (1) GENERAL RULE. If payment is required by this chapter to be made by a taxpayer on or before a certain date, the payment is timely if it is mailed in a properly addressed envelope, postmarked before midnight of the last day prescribed for making the payment, with postage prepaid, and is received by the proper official not more than 5 days after the prescribed date for making the payment.

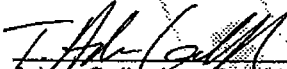
**WHEREAS**, Statute does not change the due date for paying taxes.

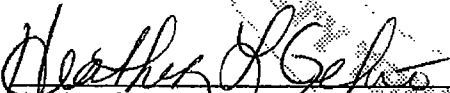
**WHEREAS**, Under current law, an installment payment of special assessments, special charges, special taxes, and property taxes imposed on real property or on improvements to leased land are considered delinquent if not paid on or before five working days after the due date.

**WHEREAS**, If the due date falls on a Saturday or Sunday the 5 day grace period ends on (Friday of that week) the 5<sup>th</sup> working day after the weekend;

**NOW THEREFORE BE IT RESOLVED, To Clarify the 5 day grace period to be uniform throughout the State**, if the due date falls on the weekend, the grace period is not extended so the grace period is 5 working days after the due date.

Respectfully submitted, this 5 day of March, 2019.

  
Adam Gallagher, President  
Dane County Treasurer

  
Heather Gehrt, Resolutions Committee  
Wood County Treasurer



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To: Assembly Committee on Local Government  
From: Curt Witynski, J.D., Deputy Executive Director, League of Wisconsin Municipalities  
Date: May 7, 2019  
Re: **AB 141, Clarifying Due Date for Property Tax Payments**

The League of Wisconsin Municipalities urges you to support AB 141, clarifying that:

1. Property tax payments that are mailed to the proper official are considered to be received on time if postmarked on or before the due date.
2. If the due date is a Saturday or Sunday, the five-day "grace" period ends on the following Friday.

A word of caution to the committee regarding item 1 relating to postmarks. Not all mail is postmarked and undoubtedly some taxpayers will be confused and will mail their taxes on the due date, but use mail or postage that does not get postmarked and will be penalized for a late payment.

Municipalities will strive to communicate to taxpayers how to avoid penalties for late payments, but this legislation will not end confusion and claims by taxpayers who feel they were treated unfairly because they mailed their taxes in by the due date, but used a form of mail or postage that is not postmarked.

According to the US Postal Service, POSTMARKS are imprints on letters, flats, and parcels that show the name of the United States Postal Service (USPS) office that accepted custody of the mail, along with the state, the zip code, and the date of mailing. The postmark is generally applied, either by machine or by hand, with cancellation bars to indicate that the postage cannot be reused. Foreign postmarks and private metered postage are not acceptable.

Postage that is postmarked:

**STANDARD POSTAGE STAMPS: Stamps purchased and affixed to mail as evidence of the payment of postage.**

Postage that is not postmarked:

**METERED MAIL: Mail on which postage is printed directly on an envelope or label by a postage machine licensed by the USPS. Many private companies use these types of postage machines.**

**PRE-CANCELED STAMP: Stamps sold through a private vendor, such as stamps.com.**

**AUTOMATED POSTAL CENTER (APC) STAMPS: Stamps, with or without a date, purchased from machines located within a USPS lobby.**

*YOUR VOICE. YOUR WISCONSIN.*

**PERMIT IMPRINT: Pre-sorted mail used by bill pay services, such as online home banking.**

**Other options available to taxpayers do indicate date of mailing:**

Purchase and complete a **CERTIFICATE OF MAILING** from the USPS, which is a receipt that provides evidence of the date that your mail was presented to the USPS for mailing. It can only be purchased at the time of mailing through the USPS. The USPS charges a fee for this service.

Purchase a **POSTAGE VALIDATED IMPRINT (PVI) Label** from a USPS retail counter or window. The PVI is applied to a piece of mail by personnel at the retail counter or window when postage has been paid to mail that item. The item is retained in USPS custody and is not handed back to the customer. The date printed on the PVI label is the date of mailing.

We urge you to vote in support of AB 141, bearing in mind the above information. Thanks for considering our comments.