



Common Council Chambers
8040 S. 6TH Street
Oak Creek, WI 53154
(414) 766-7000

COMMON COUNCIL MEETING ADDENDUM

JUNE 2, 2020

7:00 P.M.

Daniel Bukiewicz - Mayor
Steven Kurkowski - 1st District
Greg Loreck - 2nd District
Richard Duchniak - 3rd District
Michael Toman - 4th District
Kenneth Gehl - 5th District
Chris Guzikowski - 6th District

The City's Vision

Oak Creek: A dynamic regional leader, connected to our community, driving the future of the south shore.

19. **Resolution:** Consider Resolution No. 12164-060220, authorizing the City Treasurer to waive interest and penalty on late real property tax payments, with an installment due date of May 31, 2020, that are received after their due date and paid by October 1, 2020, if approved by the Milwaukee County Executive (by Committee of the Whole).

Adjournment.

Public Notice

Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible preferably a minimum of 48 hours. For additional information or to request this service, contact the Oak Creek City Clerk at 766-7000, by fax at 766-7976, or by writing to the ADA Coordinator at the Oak Creek Health Department, 8040 S. 6th Street, Oak Creek, Wisconsin 53154.

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice

COMMON COUNCIL REPORT

Item: Consider resolution waiving interest and penalty on real property tax installment payments with a due date of May 31, 2020 that are received after their due date and paid by October 1, 2020

Recommendation: That the Council adopt Resolution No. 12164-060220, a resolution authorizing the City Treasurer to waive interest and penalty on late real property tax payments, with an installment due date of May 31, 2020, that are received after their due date and paid by October 1, 2020, if approved by the Milwaukee County Executive.

Fiscal Impact: Estimated Cash Flow Delay of \$700,000

Critical Success Factor(s):

- Vibrant and Diverse Cultural Opportunities
- Thoughtful Development and Prosperous Economy
- Safe, Welcoming, and Engaged Community
- Inspired, Aligned, and Proactive City Leadership
- Financial Stability
- Quality Infrastructure, Amenities, and Services
- Not Applicable

Background: On April 15, 2020 the Wisconsin legislature enacted 2019 Wisconsin Act 185, which provides in part, in section 105(25): "Notwithstanding ss. 74.11, 74.12, and 74.87, for property taxes payable in 2020, after making a general or case-by-case finding of hardship, a taxation district may provide that an installment payment that is due and payable after April 1, 2020, and is received after its due date shall not accrue interest or penalties if the total amount due and payable in 2020 is paid on or before October 1, 2020. Interest and penalties shall accrue from October 1, 2020, for any property taxes payable in 2020 that are delinquent after October 1, 2020. A taxation district may not waive interest and penalties as provided in this subsection unless the county board of the county where the taxation district is located first adopts a resolution authorizing such waiver and establishing criteria for determining hardship, and the taxation district subsequently adopts a similar resolution. A county that has adopted a resolution authorizing the waiver of interest and penalties under this subsection shall settle any taxes, interest, and penalties collected on or before July 31, 2020, on August 20, 2020, as provided under s. 74.29 (1), and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The August 20, 2020, settlement shall be distributed proportionally to the underlying taxing jurisdictions."

On May 28, 2020, the Milwaukee County Board adopted Resolution No. 20-398, which authorizes a taxation district to waive interest and penalties as provided in Section 105(25) of Act 185 for all property taxpayers in the taxation district for property taxes payable in 2020 for an installment payment that was due and payable after April 1, 2020.

The City of Oak Creek has one property tax installment remaining for which this provision could apply, with a due date of May 31, 2020. The waiver of interest and penalty would apply to late payments due and payable for the May 31, 2020 property tax installment, provided the taxpayer was current in their taxes

and pays in full by October 1, 2020. In discussions with our Finance Department, we do not anticipate the financial impact to present a hardship to the City.

Pursuant to Act 185, subsequent to County approval by resolution, if the Council chooses to proceed with waiving interest and penalties for this final May 31, 2020 installment payment, it must adopt a similar resolution invoking the act for the waiver of real property tax interest and penalties to take effect. The City Treasurer is recommending the proposed resolution for approval. If adopted, the City Treasurer's office will work with staff and Milwaukee County on the internal, administrative procedures.

Options/Alternatives: The Council could reject the proposed resolution. Any property tax payments due May 31, 2020 and received after that due date would become delinquent together with interest and penalty.

Respectfully submitted:



Andrew J. Vickers, MPA
City Administrator

Prepared:



Barbara Guckenberger, CMTW
City Treasurer

Fiscal Review:

Bridget M. Souffrant
Assistant City Administrator/Comptroller

Attachments:

Milwaukee County Resolution No. 20-398

City of Oak Creek Resolution 12164-060220

RESOLUTION NO. 12164-0602020

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY TREASURER TO WAIVE INTEREST AND PENALTY ON LATE REAL PROPERTY TAX PAYMENTS, WITH AN INSTALLMENT DUE DATE OF MAY 31, 2020, THAT ARE RECEIVED AFTER THEIR DUE DATE AND PAID BY OCTOBER 1, 2020

WHEREAS, the COVID-19 pandemic has created economic hardship for various individuals and businesses in the City of Oak Creek; and

WHEREAS, Sections 74.11, 74.12, and 74.87 of the Wisconsin Statutes require and specify rules regarding interest and penalties relating to delinquent real property tax installment payments; and

WHEREAS, City of Oak Creek Municipal Code Sec. 3.02 prescribes the due dates for real estate property tax installment payments of January 31st, March 31st and May 31st and the provisions for interest and penalty imposed on late payments; and

WHEREAS, on April 15, 2020 the Wisconsin legislature enacted 2019 Wisconsin Act 185, which provides in part, in section 105(25), "Notwithstanding ss. 74.11, 74.12, and 74.87, for property taxes payable in 2020, after making a general or case-by-case finding of hardship, a taxation district may provide that an installment payment that is due and payable after April 1, 2020, and is received after its due date shall not accrue interest or penalties if the total amount due and payable in 2020 is paid on or before October 1, 2020. Interest and penalties shall accrue from October 1, 2020, for any property taxes payable in 2020 that become delinquent after October 1, 2020. A taxation district may not waive interest and penalties as provided in this subsection unless the county board of the county where the taxation district is located first adopts a resolution authorizing such waiver and establishing criteria for determining hardship, and the taxation district subsequently adopts a similar resolution. A county that has adopted a resolution authorizing the waiver of interest and penalties under this subsection shall settle any taxes, interest, and penalties collected on or before July 31, 2020, on August 20, 2020, as provided under s. 74.29 (1), and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. The August 20, 2020, settlement shall be distributed proportionally to the underlying taxing jurisdictions." ("Act 185"); and

WHEREAS, On May 28, 2020, the Milwaukee County Board adopted Resolution No. 20-398, which authorizes a taxation district within Milwaukee County to waive interest and penalties as provided in Act 185 for all property taxpayers in the taxation district such that if a taxation district authorizes the waiver under Act 185, it must offer the waiver to all property taxpayers in the taxation district. Notwithstanding the foregoing, nothing in this Resolution authorizes a taxation district to waive interest and penalties for property taxes payable in 2020 for an installment payment that was due and payable prior to April 1, 2020, except as otherwise permitted under applicable law; and

WHEREAS, pursuant to Act 185, subsequent to County approval of a resolution invoking Section 105(25) of the Act, the City of Oak Creek must individually pass a resolution invoking the Act for the waiver of real property tax interest and penalties to take effect; and

WHEREAS, the City of Oak Creek has one property tax installment remaining for which this provision can apply, with a due date of May 31, 2020; and

WHEREAS, the waiver of interest and penalty on real property tax is effective with the May 31, 2020 property tax installment and remains in effect through October 1, 2020; and

NOW, THEREFORE BE IT RESOLVED, that the Mayor and Common Council of the City of Oak Creek, find that the COVID-19 pandemic has created "hardship" as defined in Section 105(25) of 2019 Wisconsin Act 185 for various individuals and businesses in the City of Oak Creek; and

BE IT FURTHER RESOLVED that the City of Oak Creek is authorized to waive interest and penalty on late payments, due and payable for the May 31, 2020 real property tax installment, that are received after their due date and paid by October 1, 2020, and the City shall administer procedures as adopted by Milwaukee County Resolution No. 20-398; and

BE IT FURTHER RESOLVED all provisions in this Resolution expire on October 1, 2020, with no further waiver of interest and penalty on remaining real property tax due, and all other installment due dates shall be as prescribed for in City of Oak Creek Municipal Code Sec. 3.02 such that the City may not waive interest and penalties for real property taxes payable in 2020 for an installment payment that was due and payable prior to April 1, 2020, except as otherwise permitted under applicable law.

Introduced at a regular meeting of the Common Council of the City of Oak Creek held this 2nd day of June, 2020.

Passed and adopted this ____ day of _____, 2020.

Common Council President Kenneth Gehl

Approved this ____ day of _____, 2020.

Mayor Daniel J. Bukiewicz

ATTEST:

Catherine A. Roeske, City Clerk

VOTE: Ayes _____ Noes _____

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3 A resolution by Supervisors Taylor and Czarnezki, waiving interest and penalties on
4 delinquent real property tax installment payments pursuant to 2019 Wisconsin Act 185
5 to provide relief to Milwaukee County property owners during the SARS-CoV-2/COVID-
6 19 Pandemic, by recommending adoption of the following:
7

8 **A RESOLUTION**
9

10 WHEREAS, the novel coronavirus, Severe Acute Respiratory Syndrome
11 Coronavirus Disease (COVID-19), emerged in December 2019, and has caused a
12 global pandemic, killing approximately 250,000 people in the span of a few months by
13 early May, including 60,000 in the United States (U.S.); and
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15 WHEREAS, amidst growing evidence of a public health crisis, on January 31,
16 2020, the U.S. Department of Health and Human Services declared a Public Health
17 Emergency, the World Health Organization declared COVID-19 a pandemic on March
18 11, 2020, and State of Wisconsin (the State) Governor Evers declared a public health
19 emergency on March 12, 2020, the date of the first confirmed COVID-19 diagnosis in
20 Milwaukee County (the County); and
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22 WHEREAS, the Milwaukee County Executive declared a local public health
23 emergency due to COVID-19 on March 13, 2020; and
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25 WHEREAS, on March 17, 2020, many County municipalities began restricting
26 food and beverage sales within their borders, affecting many low wage workers and
27 small businesses; and
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29 WHEREAS, on April 16, 2020, the State Department of Health Services
30 Secretary-designee Andrea Palm extended a modified Safer at Home Order set to
31 expire on April 24, 2020, which requires all in the State to remain in their residences
32 except for limited circumstances until May 26, 2020; and
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34 WHEREAS, the COVID-19 pandemic has created extreme economic hardship
35 for many individuals and businesses in the County and across the U.S., including
36 approximately 10 to 12 percent of the American workforce on unemployment insurance
37 during the latter half of April, as reported by the U.S. Department of Labor; and
38

39 WHEREAS, those eligible for unemployment insurance receive only a fraction of
40 their normal income, and many workers may not be eligible for unemployment benefits;
41 and
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43 WHEREAS, the *Federal Reserve* found in its May 2019, "Report on the
44 Economic Well-Being of U.S. Households in 2018," that approximately 40 percent of
45 Americans did not have the cash-on-hand to cover an emergency expense of only
46 \$400; and
47

48 WHEREAS, Sections 74.11, 74.12, and 74.87, Wisconsin State Statutes (State
49 Statutes), among other things, require and specify rules regarding interest and penalties
50 relating to delinquent real property tax installment payments; and
51

52 WHEREAS, the State Legislature passed, and Governor Evers signed into law
53 as a relief effort for COVID-19, 2019 Wisconsin Act 185 (Act 185), which among other
54 things, in Section 105(25), enables county boards to, by resolution, allow their
55 municipalities to temporarily waive interest and penalty fees from delinquent real
56 property tax installment payments in spite of Sections 74.11, 74.12, and 74.87, State
57 Statutes, for installment payments on real property taxes due after April 1, 2020, and
58 will last until October 1, 2020; after which interest will accrue on any delinquent
59 payments; and
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61 WHEREAS, pursuant to Act 185, subsequent to County approval of a resolution
62 invoking Section 105(25) of Act 185, the municipalities must individually pass
63 resolutions invoking Act 185 for the waiver of real property tax interest and penalties to
64 take effect; and
65

66 WHEREAS, Act 185 authorizes local governments to either provide waivers
67 uniformly or on an individual hardship basis, but the Wisconsin Counties Association
68 recommends not waiving interest and penalties case-by-case, as it would produce
69 administrative difficulty and may be subject to legal challenges; and
70

71 WHEREAS, at its meeting on May 14, 2020, the Committee of the Whole
72 reviewed File No. 20-366, a report from the Office of the Comptroller and the Office of
73 the Treasurer on Act 185, and the potential cost to the County including a requirement
74 to upgrade the current tax collection software to properly account for payments and any
75 waivers of penalty and interest; and
76

77 WHEREAS, this is a trying time for County residents and much of the world, and
78 the Milwaukee County Board of Supervisors and County Executive are doing their part
79 to provide relief to fellow citizens; and
80

81 WHEREAS, the Committee on Finance and Audit, at its meeting of May 21,
82 2020, recommended adoption of File No. 20-398 (vote 7-0); now, therefore,
83

84 BE IT RESOLVED, pursuant to Section 105(25), 2019 Wisconsin Act 185,
85 (Act 185) the Milwaukee County Board of Supervisors finds and authorizes the
86 following:
87

- 88 1. Because of the Coronavirus Disease (COVID-19) pandemic, the various Federal
89 laws and regulations implemented as a result of the COVID-19 pandemic, the
90 various emergency orders and regulations implemented by state and local
91 governments, and Act 185, the County Board finds that all property tax payers
92 are experiencing hardship as that term is used in Section 105(25) of Act 185.
93
- 94 2. A taxation district is authorized to waive interest and penalties for property taxes
95 payable in 2020 for an installment payment that is due and payable after April 1,
96 2020. This Resolution authorizes a taxation district to waive interest and
97 penalties as provided in Section 105(25) of Act 185 for all property taxpayers in
98 the taxation district such that if a taxation district authorizes the waiver under
99 Section 105(25) of Act 185, it must offer the waiver to all property taxpayers in
100 the taxation district. Notwithstanding the foregoing, nothing in this Resolution
101 authorizes a taxation district to waive interest and penalties for property taxes
102 payable in 2020 for an installment payment that was due and payable prior to
103 April 1, 2020, except as otherwise permitted under applicable law.
104
- 105 3. The terms of Section 6.06 - Interest and Penalty on Overdue and Delinquent
106 Taxes, Milwaukee County Code of General Ordinance (MCGO), which imposes a
107 penalty on delinquent property tax payments, are hereby modified for purposes
108 of implementing the terms of this Resolution and Section 105(25) of Act 185.
109
- 110 4. As provided under Section 105(25) of Act 185, Milwaukee County (the County)
111 shall deviate from the settlement procedure set forth in Section 74.29, Wisconsin
112 State Statutes (State Statutes) and, instead the County shall settle property
113 taxes, interest, and penalties collected on or before July 31, 2020, on August 20,
114 2020, as provided under Section 74.29(1), State Statutes, and settle the
115 remaining unpaid taxes, interest, and penalties on September 20, 2020. The
116 August 20, 2020, settlement shall be distributed proportionally to the underlying
117 taxing jurisdictions according to payments collected on or before July 31, 2020.
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- 119 5. Notwithstanding Section 74.57, State Statutes, the County Treasurer is
120 authorized, but not required, to omit from the tax certificate delivered to the
121 County on September 1, 2020, all parcels of real property for which a taxation
122 district has waived interest and penalties as provided in this Resolution.
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6. The County Treasurer is directed to consult with the Wisconsin Department of Revenue, all taxation districts in the County, and corporation counsel regarding the implementation of this Resolution and the procedures associated with, or contemplated by, this Resolution.

7. Other County officers are authorized and directed to assist the County Treasurer in the interpretation, application, and implementation of this Resolution and Section 105(25) of Act 185.

; and

BE IT FURTHER RESOLVED, the City of Milwaukee (the City), as a First Class City, is responsible for administering its own delinquent property tax payments, per Sections 74.81 through 74.84, State Statutes, but like the other 18 municipalities in the County still requires the County to adopt this Resolution to extend the benefits available under Section 105(25) of Act 185 to their taxpayers by separate resolution; and

BE IT FURTHER RESOLVED, the County Treasurer is authorized to execute a new agreement with LandNav for the latest software, which will permit the tracking of any waivers of penalty and interest and shall be offered without charge to all county municipalities (except the City, which administers its own delinquent taxes); and

BE IT FURTHER RESOLVED, that the estimated cost to implement the new software is \$200,000 and shall be charged against Coronavirus Aid, Relief, and Economic Security Act funding received by the County, and the Department of Administrative Services and the Office of the Comptroller are authorized and directed to process the requisite fund transfer to the appropriate accounts; and

BE IT FURTHER RESOLVED, that any municipality (except the City, which administers its own delinquent taxes) that adopts a resolution to waive penalty and interest on delinquent property tax installment payments, as permitted under Act 185 and authorized by this Resolution, must upgrade to the new LandNav software so that the provisions of the law can be properly administered; and

BE IT FURTHER RESOLVED, that all actions hereto taken by the County Board and other appropriate public officers and agents of the County with respect to the matters contemplated under this Resolution are hereby ratified, confirmed, and approved.

srb
05/21/2020
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