

Monroe County Policy on Accepting Land via Quit Claim Deed in Lieu of Foreclosure for Remnant Parcels.

BACKGROUND

In Monroe County there are situations that arise in which remnant tax parcels with nominal taxes become tax delinquent and the County Treasurer eventually has to take the parcels via the in rem foreclosure process. The process of foreclosure for such parcels has a cost that is not recouped if the property is not subsequently sold. There are remnant parcels that clearly have no practical value and will not have a buyer if the County forecloses. As it would pertain to this policy a remnant parcel would be defined as a tax parcel that is owned by a party who has no adjacent tax parcels and a portion of that parcel lies under road right-of-way or may be landlocked or is substandard under local zoning.

These parcels typically have nominal annual real estate taxes and there are usually limited reasons, if any, for owners to continue to pay taxes on the parcel aside from keeping their names off the tax delinquent list. Remnant tax parcels subject to these circumstances are, in general, not marketable. In some cases owners in this position have expressed a desire to give their land to Monroe County.

If the owner pays the real estate taxes, the County has no incentive to act. If the owner does not pay the real estate taxes the County will encounter direct and indirect costs when foreclosing. This policy is to address those circumstances.

Regardless of how it came to be, the owners have a parcel with no identified market value. Even if they could find someone to take the parcel, a neighbor perhaps, they face a cost for production of a deed (minimum of \$75 but likely more under this complex set of facts) and a recording fee of \$30. In addition, even if they pay the real estate taxes through their lifetime, the County may eventually get the property as it is unlikely that an heir will accept the parcel and continue to pay the taxes. Often it is only a matter of time before the parcel becomes subject to in rem foreclosure.

When a tax parcel in Monroe County is the subject of delinquent payment of real estate taxes the County may choose to proceed to foreclose on tax liens by an action in rem under WI §75.521. As part of proceeding to foreclosure, Monroe County hires a local title company to do title work on the parcels to identify parties to be notified of the foreclosure. Title work charges are \$75 per parcel at a minimum. In addition to the title work cost there are publication fees, certified mailings and copy charges of at least \$200 per parcel. In addition to direct monetary costs a large amount of employee time is invested in dealing with the foreclosure process.

Due to these costs and ongoing time spent determining how to proceed with parcels it would be advantageous to Monroe County to prepare and accept these parcels via a Quit

claim deed and write off the back taxes rather than incur the costs involved with the In Rem Foreclosure process.

POLICY

The County shall be passive in implementing this policy and will not seek opportunities to acquire lands but rather use this as an option to save tax payer money when the County would have ended up foreclosing on the property anyway. Upon discussion or inquisition should a property owner with delinquent taxes share that they are not going to continue paying the taxes or would rather just give the property to the County. A County officer or employee may direct the party to the Real Property Coordinator or the designated Land Information Officer who may inform the property owner of this policy and determine the suitability of the delinquent tax parcel in question based on the circumstances.

Monroe County deems the following criteria shall be met before accepting remnant tax parcels via a Quit claim deed.

- The property has nominal taxes.
- The property has no improvements.
- The owner(s) attests that the owners of adjoining properties to the parcel in question are not interested in the property.
- The cost of foreclosing on the property will exceed the costs associated with acquiring it via quit claim deed.
- The owner(s) has or expresses a clear willingness to let payment of real estate taxes go delinquent.

The County Treasurer is in a position to identify parcels with nominal amounts of taxes as they become delinquent. With the assistance of the Real Property Coordinator or designated Land Information Officer, parcels that are true remnants can be identified. The Real Property Coordinator or designated Land Information Officer are also in a unique position to draft a legal description for the parcel by using existing descriptions to describe the parcel. The Real Property Coordinator or designated Land Information Officer will provide a form to the owner and will identify the neighbors and the local municipality for the owner to approach and otherwise gather the information for creating the deed. The County shall accept a quit claim deed without any form of title work.

The Property and Purchasing Committee shall have authority to approve acquisition of the property under this policy. Monroe County will, by its Corporation Counsel, prepare a quit claim deed and the Treasurer shall pay for the recording of said quit claim deed as a cost saving/avoidance mechanism.