

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

Board Chair  
Kara Purviance  
INITIATED BY



Corporation Counsel  
Richard Greenlee  
DRAFTED BY

Board Chair  
Kara Purviance  
SUBMITTED BY

May 7, 2020  
DATE DRAFTED

**Authorizing a Taxation District to Waive Interest and Penalties on  
Property Tax Payment Installments Due on or After April 1, 2020**

- 1 **WHEREAS**, in December, 2019, a novel strain of coronavirus known as COVID-19 was detected,
- 2 and COVID-19 has continued to spread throughout the world, including to the United States and the
- 3 State of Wisconsin (“COVID-19 Pandemic”); and
- 4
- 5 **WHEREAS**, the federal government, state governments, and local governments are working together
- 6 to contain the further spread of the disease and treat existing cases; and
- 7
- 8 **WHEREAS**, on January 31, 2020, the United States Department of Health and Human Services
- 9 declared a Public Health Emergency, on March 11, 2020, the World Health Organization declared
- 10 COVID-19 a pandemic, on March 12, 2020, the Governor of the State of Wisconsin declared a
- 11 Health Emergency in the State, and on March 16, 2020, the Rock County Administrator and Chair of
- 12 the Rock County Board of Supervisors declared a local state of emergency pursuant to chapter 323 of
- 13 the Wisconsin Statutes; and
- 14
- 15 **WHEREAS**, in order to combat the COVID-19 Pandemic, flatten the curve, and save lives, on
- 16 March 24, 2020, Secretary-designee Andrea Palm of the Wisconsin Department of Health Services
- 17 issued Emergency Order #12, Safer at Home Order (“Safer at Home Order”) requiring that everyone
- 18 in Wisconsin stay at their home or place of residence except in limited circumstances until April 24,
- 19 2020; and
- 20
- 21 **WHEREAS**, on April 16, 2020, Secretary-designee Palm extended the Safer at Home Order, with
- 22 certain modifications, to May 26, 2020, pursuant to Emergency Order #28; and
- 23
- 24 **WHEREAS**, the COVID-19 Pandemic has created economic hardship and uncertainty for all Rock
- 25 County taxpayers; and
- 26
- 27 **WHEREAS**, prominent economists have predicted record level unemployment rates for the coming
- 28 months and this prediction suggests that Rock County residents will also experience record-level
- 29 unemployment rates in the coming months, and an unprecedented number of businesses and
- 30 employers throughout the State and in Rock County have been required to suspend operations; and
- 31
- 32 **WHEREAS**, in response to the COVID-19 Pandemic, the Wisconsin Legislature enacted 2019
- 33 Wisconsin Act 185 (“Act 185”), which Governor Evers signed on April 16, 2020; and
- 34
- 35 **WHEREAS**, Section 105(25) of Act 185 authorizes local taxation districts in the County to waive
- 36 interest and penalties on 2020 property tax installment payments due and payable after April 1, 2020,
- 37 if paid by October 1, 2020, if the County has previously adopted an enabling resolution authorizing
- 38 such waiver; and
- 39
- 40 **WHEREAS**, any resolution enabling the above referenced waiver must also establish criteria for
- 41 determining hardship that would qualify a property taxpayer for the waiver; and
- 42
- 43 **WHEREAS**, the County’s authorization for a taxation district to implement the above referenced
- 44 waiver is contingent upon a taxation district adopting a resolution in similar form and content as to
- 45 the County’s resolution; and

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46 **WHEREAS**, this Resolution (1) serves as the County's enabling resolution for purposes of Section  
47 105(25) of Act 185; (2) authorizes any taxation district located in the County to waive interest and  
48 penalties on installment payments of property taxes due and payable after April 1, 2020, in a manner  
49 consistent with Act 185 provided the taxation district adopts a similar resolution and otherwise  
50 satisfies all conditions precedent to waiver contained in Act 185 and this Resolution; and (3) declares  
51 that all property taxpayers in the County are experiencing hardship as a result of the economic  
52 conditions associated with the COVID-19 Pandemic, the various federal laws and regulations  
53 implemented in response to the COVID-19 Pandemic, the various emergency orders and regulations  
54 implemented by state and local governments, and Act 185; and

55  
56 **WHEREAS**, while the plain language of Section 105(25) of Act 185 allows for either a general or a  
57 "case-by-case" finding of hardship, the County intends by this Resolution to authorize a taxation  
58 district to waive interest and penalties for all property taxpayers in the County eligible for waiver  
59 under Section 105(25) of Act 185 because of general hardship based upon the economic conditions  
60 described in this Resolution, which the Board determines has adversely affected all taxpayers in the  
61 County; and

62  
63 **WHEREAS**, this Resolution does not authorize any sort of "case-by-case" finding of hardship by a  
64 taxation district.

65  
66 **NOW, THEREFORE, BE IT RESOLVED** that pursuant to Section 105(25) of Act 185 the Rock  
67 County Board of Supervisors, this 14<sup>th</sup> day of May, 2020, hereby finds and authorizes the  
68 following:

- 69  
70 1. Because of the COVID-19 Pandemic, the various federal laws and regulations implemented as  
71 a result of the COVID-19 Pandemic, the various emergency orders and regulations  
72 implemented by state and local governments, and Act 185, the Board finds that all property  
73 taxpayers are experiencing hardship as that term is used in Section 105(25) of Act 185.  
74  
75 2. A taxation district is authorized to waive interest and penalties for property taxes payable in  
76 2020 for an installment payment that is due and payable after April 1, 2020. This Resolution  
77 authorizes a taxation district to waive interest and penalties as provided in Section 105(25) of  
78 Act 185 for all property taxpayers in the taxation district such that if a taxation district  
79 authorizes the waiver under Section 105(25) of Act 185, it must offer the waiver to all  
80 property taxpayers in the taxation district. Notwithstanding the foregoing, nothing in this  
81 Resolution authorizes a taxation district to waive interest and penalties for property taxes  
82 payable in 2020 for payments due and payable prior to April 1, 2020, except as otherwise  
83 permitted under applicable law.  
84  
85 3. Other County officers are authorized and directed to assist the Treasurer in the interpretation,  
86 application and implementation of this Resolution and Section 105(25) of Act 185.

87  
88 **BE IT FURTHER RESOLVED** that all actions heretofore taken by the Board and other appropriate  
89 public officers and agents of the County with respect to the matters contemplated under this  
90 Resolution are hereby ratified, confirmed and approved.

Respectfully submitted,

FINANCE COMMITTEE

\_\_\_\_\_  
, Chair

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FISCAL NOTE:

The County makes the taxations districts 'whole' each August. Therefore, the County takes on the responsibility of collecting any remaining unpaid property taxes. Delaying the due date of tax payments to October 1, 2020 will have a negative impact on County cash flow. In addition, the County will incur a loss of investment income on cash paid out in August ahead of the October 1<sup>st</sup> collection deadline. Total fiscal impact on the County is unknown at this time. However, the County has a strong cash position and will be able to manage the cash flow issues.

*/s/ Sherry Oja*

Sherry Oja  
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to secs. 59.01 and 59.51, Wis. Stats, and Section 105(25) of 2019 Wisconsin Act 185.

*/s/ Richard Greenlee*

Richard Greenlee  
Corporation Counsel

Administrative Note:

Matter of policy.

*/s/ Josh Smith*

Josh Smith  
County Administrator

## Executive Summary

In response to COVID-19, the Legislature passed and the Governor signed 2020 Act 185. Among other things, Act 185 allows local governments (taxation districts) to waive interest and penalties on property tax installment payments due after April 1, 2020. All property tax payments would be due by October 1, 2020, after which time property tax payments would again be considered delinquent, and interest and penalties would again accrue.

For taxation districts to be able to take advantage of this, counties must first pass a resolution that allows them to do so and sets the conditions. The primary condition the Board must determine is whether to allow local governments to determine hardship—and thus the ability of taxpayers to take advantage of the waiver—on a case-by-case basis or have it generally apply to all taxpayers in their jurisdiction. Due to the administrative challenges, the Wisconsin Counties Association and County staff recommend only allowing local governments to allow hardship to generally apply to all taxpayers in their jurisdiction.

Act 185 also allows the County to decide whether to settle taxes with all the underlying jurisdictions at the regular settlement date in August, or to settle only the portion that has been collected in August and the remainder in September. Moving final settlement to September could create cash flow problems for local governments, and particularly school districts, which would normally receive property tax funding in August. Leaving full settlement in August could create cash flow issues for counties for one month. Due to the administrative challenges of managing two settlement dates, and to maximize the opportunity for local governments and their taxpayers to take advantage of the program, this resolution would continue full settlement in August. The County has sufficient reserves to manage one month of reduced cash flow.

If the County Board passes this resolution, each taxation district would also then need to pass a resolution establishing terms consistent with the County's resolution. Several local governments have expressed an interest in passing such resolutions, but overall participation is unknown at this time. Given the possibility that not all taxation districts in the County will participate, it is possible there will be confusion among taxpayers. Communication will be important to reducing potential confusion.