



Fact Sheet: The Tax Roll Process

Wisconsin State Statute § 66.0809 requires municipalities to place delinquent water bills on the tax roll as a tax against the property that was furnished with utility service. Electric utilities who want to use the tax roll must have an ordinance to do so. The ability to collect for unpaid utility bills through the property tax roll generally has worked to keep the amount of municipal uncollectible debt to a minimum. This limits losses caused by unpaid utility bills and protects other utility customers from rate increases.

The statute also requires utilities to notify landlords of tenant delinquencies if the landlord requests notification in writing. Notice is required in order to provide landlords with an opportunity to either pay the bill or collect the arrearage from the tenant before the municipality transfers the delinquent amount to the landlord's property tax bill.

Utilities may take the following steps to collect delinquent accounts in order to limit the unpaid debt that is later transferred to the tax roll:

- If a tenant moves and the landlord provides a forwarding address within 21 days of the date the customer vacates the service address, the utility is required to continue billing the customer. See Wis. Stat. § 66.0809(5)(b)1. Continued collection efforts may prompt the customer to pay the delinquent utility bill before it is transferred to taxes.
- The utility may transfer account arrears in the landlord's name to the landlord's home or office account. See Wis. Admin. Code §§ PSC 113.0301(7) or PSC 185.37(7)(a). Written notice of the transfer is required. This option is only available if the original account was in the landlord's name. Examples of accounts that can be transferred include jointly metered service where the account is in the landlord's name, or an account where the landlord has chosen to have service in his name and is billed directly for the tenant's service. Unpaid bills for service in the tenant's name cannot be transferred to the landlord's home or office account.
- When a tenant terminates service, the utility may put service in the property owner's name after providing proper notice. See Wis. Stat. § 196.643(1). The owner is not responsible for service between tenants if the utility fails to give the property owner notice under this section. Accounts put into the property owner's name without proper notice are disqualified from collection via the tax roll process.

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Notification Timeline

- October 1st - Utility determines which accounts are in arrears as of this date.
- October 15th – Utility sends written notice of any amounts in arrears as of October 1st to the property owner.
- November 1st – Utility applies a 10% penalty. Addition of the penalty is not optional.
- November 16th – Utility transfers the unpaid arrears, plus the penalty, to the tax roll.

Things to remember

- A utility should not transfer delinquent amounts being paid through a deferred payment agreement (DPA) to the tax roll. Although Public Service Commission (Commission) rules do not prohibit the transfer of DPA amounts, it has been the Commission's position that if a customer established a DPA for payment of the arrearage and is current with payments, that amount should not be transferred to the tax roll.
- Application of the 10% penalty on November 1st is not optional.
- The Commission does not investigate billing disputes involving amounts that have been transferred to the tax roll. This is because the arrearage is no longer considered to be a utility bill - it is a tax bill.
- Municipal electric utilities need an ordinance in order to be able to transfer unpaid municipal utility bills to the tax roll. (See Wis. Stat. § 66.0809(4)). Municipal water utilities do not need an ordinance for this purpose.
- A utility may transfer an arrearage that is older than one year to the tax roll. Since the six year statute of limitations may apply, it is advisable to put delinquent charges on the tax roll every year.
- A utility cannot continue to apply late fees to the arrearage. The 10% penalty added on November 1st is the only penalty that can be applied after October 1st.

For more information, please visit the PSC website at psc.wi.gov.