

SUGGESTIONS FOR AGENDA OF NEXT MEETING:

1. DEMOGRAPHICS OF PROPERTY TAX EXEMPTION:

- a. It was clear from the initial meeting of the committee that hard data is apparently almost non-existent on the extent of property tax exemption overall, but more specifically to exemption of non-profit housing and homes for the aged. It is difficult if not dangerous to make major public policy decisions on this issue based primarily on anecdotal evidence. What the committee needs is solid information as to the number, locations, types and general nature of:
 - i. All property tax exempt in Wisconsin; and
 - ii. Similar specifics as to non-profit housing and homes for the aged (including nursing homes, assisted living units, dementia and Alzheimer's units, independent living units, CBRFs, CCACs and CCRCs). Is such information available, or can it be compiled for use of the committee? If so, when and in what form?
- b. At the initial meeting there was reference to reports that ten years ago residential taxpayers contributed 50% of the state's total property tax revenue, and that today that figure is 70%. What reliable data exists to support that observation? How is that increase explained? Did the legislature take additional property off the tax rolls in some fashion? What types of tax exempt property account for the increase? What portion of the increase can be attributed to the growth of tax CCRCs and other homes for the aged?

2. DIVESTITURE: ITS ADVERSE IMPACT ON TAX REVENUE GENERATION AND STATE EXPENDITURES FOR CARE OF THE POOR:

- a. Non-profit, benevolent homes for the aged (including the entire spectrum of such organizations) view divestiture as a major threat to their own viability, and also for significantly increasing the budgetary needs for Medicaid and similar state-funded programs for the elderly. Most CCRCs view their life lease programs as a major deterrent to divestiture, thus a major protection of the Medicaid budget. However, the incidence of divestiture is believed to be growing rapidly at the urging of attorneys and other financial advisors to the elderly.
- b. Is there any hard data on the extent of divestiture in Wisconsin? If 10% of the current residents of Wisconsin's non-profit homes for the aged (including CCRCs) were to divest, what would be the impact on the state's tax revenue and/or Medicaid program? What if the numbers were 20% or 30% or more?

Also, it is apparent from the initial meeting that at least three other subjects are or will be objects of discussion:

1. Leasehold income is a high priority for refined definition;
2. Statutory definition of non-profit; and
3. Statutory definition of benevolent.

Properly defined, and enforced, the addition of the latter two items could go a long way to reduce or eliminate what I now see as "abuse" of the tax exemption privilege, even while adversely impacting some operations.

Provided by Earl Thayer.