

**SUBSTITUTE AMENDMENT ,  
TO WLC: 0086/1**

1     **AN ACT** *to amend* 70.11 (intro.), 70.11 (4), 70.337 (1) (f) and 70.337 (2); and *to*  
2           *create* 70.337 (1) (g) of the statutes; **relating to:** property tax exemptions; required  
3           forms; use of leasehold income.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**NOTE:** This amendment, which was drafted at the request of committee member John Sauer, makes the following changes to WLC: 0086/1:

1. Eliminates the requirement for benevolent associations that own certain types of property to apply annually for a property tax exemption and provide certain information about the association's benevolent activities at the property. The substitute amendment requires, instead, that all owners of tax-exempt property file a property tax exemption request form with the assessor every year.
2. Provides that a residential care apartment complex (RCAC) that is "registered" under s. 50.034, stats., is exempt from property tax. The draft requires an RCAC to be "certified" under s. 50.034, stats., to be eligible for exemption.
3. Replaces a provision in the draft that provides a property tax exemption for "residential housing that is equally available to any applicant without requiring a showing of the person's income or economic assets" with "housing for older persons as defined in s. 106.50 (1m) (m) that satisfies the requirements under s. 106.50 (5m) (a)".
4. Eliminates the draft's provisions that require annual payments for municipal services by benevolent associations owning certain types of tax-exempt property.
5. Amends language in current law that requires the owner of tax-exempt property to provide to the clerk of the taxation district an "estimate of the fair market value of the property". The amendment

requires the owner to instead provide “a good faith estimate, within 10%, of the fair market value of the property”.

6. Requires the owner of tax-exempt property to report to the clerk of the taxation district the amount of a municipal service fee or payment in lieu of taxes, if any, that was paid by the owner of the property in the previous 2 years.

7. Requires the form which the clerk of each taxation district must complete and deliver to the department of revenue every even-numbered year to include a calculation of the amount of property tax, classified by type of owner, that would have been collected from tax-exempt entities in the district if the entities had been taxed. The amendment requires this information to be made available to the public and requires the department of revenue to include a statewide compilation of this information in its summary of tax exemption devices prepared under s. 16.425, stats.

8. Retains the provisions of the draft that revise and reorganize s. 70.11 (intro.) and (4), stats., and the provisions regarding the use of leasehold income.

1        **SECTION 1.** 70.11 (intro.) of the statutes is amended to read:

2        **70.11 Property exempted from taxation.** (intro.) The property described in this

3 section is exempted from general property taxes if the property is exempt under sub. (1), (2),

4 (18), (21), (27) or (30); if it was exempt for the previous year and its use, occupancy or

5 ownership did not change in a way that makes it taxable; if the property was taxable for the

6 previous year, the use, occupancy or ownership of the property changed in a way that makes

7 it exempt and its owner, on or before March 1, files with the assessor of the taxation district

8 where the property is located a form that the department of revenue prescribes or if the

9 property did not exist in the previous year and its. The owner of any property described above

10 shall, on or before March 1, file with the assessor of the taxation district where the

11 property is located a form that the department of revenue prescribes. Leasing a part of the

12 property described in this section does not render it taxable if, except for property described

13 under sub. (4) (c), the lessor uses all of the leasehold income for maintenance of the leased

1 property or construction debt retirement of the leased property, or both, and, except for  
2 residential housing, if the lessee would be exempt from taxation under this chapter if it owned  
3 the property. Leasing a part of the property described under sub. (4) (c) does not render it  
4 taxable if the property owner uses all of the leasehold income to further the benevolent  
5 activities of the owner, or, in the case of a church or religious association, to further the  
6 activities of the church or association. Any lessor who claims that leased property is exempt  
7 from taxation under this chapter shall, upon request by the tax assessor, provide records  
8 relating to the lessor's use of the income from the leased property. Property exempted from  
9 general property taxes is:

10 **SECTION 2.** 70.11 (4) of the statutes is amended to read:

11 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;  
12 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively by  
13 educational any of the entities described in this subsection while such property is used not for  
14 profit. Property that is exempt from taxation under this subsection and is leased remains  
15 exempt from taxation only if, in addition to the requirements specified in the introductory  
16 phrase of this section, the lessee does not discriminate on the basis of race. The amount of land  
17 exempt under this subsection may not exceed 10 acres of land necessary for location and  
18 convenience of buildings, except as provided in par. (b). This subsection does not include  
19 property owned by an organization that is organized under s. 185.981 or ch. 611, 613, or 614  
20 and that offers a health maintenance organization as defined in s. 609.01 (2) or a limited service  
21 health organization as defined in s. 609.01 (3) or by an organization that is issued a certificate  
22 of authority under ch. 618 and that offers a health maintenance organization or a limited  
23 service health organization or by any nonstock, nonprofit corporation which services  
24 guaranteed student loans for others or on its own account.

1        (a) Educational institutions offering regular courses 6 months in the year; ~~or by~~  
2        ~~churches.~~

3        (b) Churches or religious, ~~educational or benevolent~~ associations, including benevolent  
4        nursing homes and retirement homes for the aged but not including an organization that is  
5        organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health maintenance  
6        organization as defined in s. 609.01 (2) or a limited service health organization as defined in  
7        s. 609.01 (3) or an organization that is issued a certificate of authority under ch. 618 and that  
8        offers a health maintenance organization or a limited service health organization and not  
9        including property owned by any nonstock, nonprofit corporation which services guaranteed  
10       student loans for others or on its own account, and also including property owned and used  
11       for housing for pastors and their ordained assistants, members of religious orders and  
12       communities, and ordained teachers, whether or not contiguous to and a part of other property  
13       owned and used by such associations or churches; ~~or by women's.~~ Property owned by  
14       churches or religious associations necessary for location and convenience of buildings, used  
15       for educational purposes and not for profit, shall not be subject to the 10-acre limitation but  
16       shall be subject to a 30-acre limitation.

17       (c) Benevolent associations if the property is any of the following:

18       1. A nursing home licensed under s. 50.03.

19       2. A community based residential facility licensed under s. 50.03.

20       3. An adult family home certified under s. 50.032 or licensed under s. 50.033.

21       4. A residential care apartment complex registered or certified under s. 50.034.

22       5. A domestic abuse shelter.

23       6. A shelter for the homeless, including transitional housing facilities.

1        7. Housing for low-income persons that is operated in compliance with internal  
2 revenue service revenue procedure 96-32.

3        8. Housing for older persons as defined in s. 106.50 (1m) (m) that satisfies the  
4 requirements under s. 106.50 (5m) (a).

5        9. Residential housing that is not described under subds. 1. through 8.

6        (cm) Benevolent associations if the property is not residential housing.

7        (d) Women's clubs; or by domestic,

8        (e) Domestic incorporated historical societies; or by domestic,

9        (f) Domestic incorporated, free public library associations; or by fraternal

10       (g) Fraternal societies operating under the lodge system (except university, college and  
11 high school fraternities and sororities), but not exceeding 10 acres of land necessary for  
12 location and convenience of buildings while such property is not used for profit. Property  
13 owned by churches or religious associations necessary for location and convenience of  
14 buildings, used for educational purposes and not for profit, shall not be subject to the 10-acre  
15 limitation but shall be subject to a 30-acre limitation. Property that is exempt from taxation  
16 under this subsection and is leased remains exempt from taxation only if, in addition to the  
17 requirements specified in the introductory phrase of this section, the lessee does not  
18 discriminate on the basis of race.

19       **SECTION 3.** 70.337 (1) (f) of the statutes is amended to read:

20       70.337 (1) (f) The owner's good faith estimate within 10% of the fair market value of  
21 the property on January 1 of the even-numbered year. ~~The owner shall provide this estimate~~  
22 ~~by marking one of a number of value ranges provided on the form prepared under sub. (2).~~  
23 The assessor for the taxation district within which the property is located may review the

1 owner's estimate of the fair market value of the property and adjust it if necessary to reflect  
2 the correct fair market value.

3 **SECTION 4.** 70.337 (1) (g) of the statutes is created to read:

4 70.337 (1) (g) The amount of a municipal service fee or payment in lieu of taxes, if any,  
5 that was paid by the owner of the property in each of the past two years.

6 **SECTION 5.** 70.337 (2) of the statutes is amended to read:

7 70.337 (2) By July 1 of each even-numbered year, the clerk of each taxation district  
8 shall complete and deliver to the department of revenue a form on which the clerk estimates  
9 the value of tax-exempt property, classified by type of owner, within the taxation district.  
10 That form shall include a calculation by the clerk of the taxation district of the amount of  
11 property tax, classified by type of owner, that would have been collected from all entities in  
12 the taxation district that were exempt under s. 70.11 if their exemptions had not been granted.  
13 This information shall be made available to the public. The department of revenue shall  
14 include a statewide compilation of this information, classified by type of owner, in the  
15 summary of taxation devices prepared under s. 16.425.

16 (END)