



WISCONSIN LEGISLATIVE COUNCIL

TAX EXEMPTIONS FOR RESIDENTIAL PROPERTY (COLUMBUS PARK)

Room 225 Northwest, State Capitol
Madison, Wisconsin

April 11, 2005
1:00 p.m. – 1:40 p.m.

[The following is a summary of the April 11, 2005 meeting of the Special Committee on Tax Exemptions for Residential Property (Columbus Park). The file copy of this summary has appended to it a copy of each document prepared for or submitted to the committee during the meeting. A digital recording of the meeting is available on our Web site at <http://www.legis.state.wi.us/lc/2004studies.htm>.]

Call to Order and Roll Call

Chair Fitzgerald called the meeting to order. The roll was called and it was determined that a quorum was present.

COMMITTEE MEMBERS PRESENT: Rep. Jeff Fitzgerald, Chair; Reps. Terese Berceau, Mark Gottlieb, Ann Nischke, and Leah Vukmir; Sens. Julie Lassa and Cathy Stepp; and Public Members Gregg Hagopian, Paul Hoffman, Robert Jones, Frederic Mohs, Tim Radelet, Mary Reavey, Fritz Ruf, John Sauer, and Earl Thayer.

COUNCIL STAFF PRESENT: Laura Rose, Deputy Director; and Mary Matthias, Senior Staff Attorney.

ATTENTION: This was the final meeting of the Special Committee on Tax Exemptions for Residential Property (Columbus Park). Committee members are requested to send any corrections regarding these Minutes to the Legislative Council staff. After the incorporation of any corrections, these Minutes will be considered approved by the committee.

**Approval of the Minutes of the January 14, 2005
Meeting of the Special Committee**

Mr. Ruf moved, seconded by Mr. Mohs, to approve the minutes of the committee's January 14, 2005 meeting. The motion carried on a unanimous voice vote.

Description of Material Distributed

- **WLC: 0186/1, relating to revision and elimination of the exemption from the property tax for certain property and the use of income from certain tax-exempt leased property.**

Ms. Matthias described WLC: 0186/1 which eliminates the property tax exemption for certain residential property owned by a benevolent association. Specifically, the draft revises the property tax exemption under current s. 70.11 (4), Stats., for property owned by benevolent associations, including benevolent nursing homes and retirement homes for the aged by setting forth the specific types of property owned by a benevolent association that are exempt from property taxes.

Ms. Matthias described the draft's provisions on the use of leasehold income from property that is exempt from taxation under s. 70.11. The draft provides that leasing property described in s. 70.11 (4), Stats., as residential housing does not render the property taxable if the property owner uses all of the lease income to further its benevolent or educational activities, or in the case of a church or religious association, to further the activities of the church or association. In addition, the draft provides that a property owner may not discriminate based on race.

This provision first applies to property tax assessments as of January 1, 2006, which are payable in 2007.

Ms. Matthias further stated that Chairperson Fitzgerald's intent was that the draft's provisions on the use of leasehold income be made retroactive for two years to January 1, 2003.

The committee agreed to amend the draft to make these provisions retroactive, and also agreed to add a provision to narrow the reference in the draft to Internal Revenue Procedure 96-32. Under the amendment, Internal Revenue Procedure 96-32, section 3.02 (4) would be excluded from the draft when considering whether property would be considered as providing housing to "low income" persons.

Representative Gottlieb moved, seconded by Mr. Hagopian, to recommend WLC: 0186/1, as amended, to the Joint Legislative Council for introduction into the 2005-06 Legislature. The motion carried on a vote of Ayes, 11 (Reps. Fitzgerald, Berceau, and Gottlieb; Sens. Lassa and Stepp; and Public Members Hagopian, Jones, Mohs, Radelet, Reavey, and Ruf); Noes, 5 (Reps. Nischke and Vukmir; and Public Members Hoffman, Sauer, and Thayer).

Chairperson Fitzgerald thanked all of the committee members for their service on the committee. He explained that the draft would be presented to the Joint Legislative Council at the May 4, 2005 meeting.

Plans for Future Meetings

Chair Fitzgerald stated that this was the last meeting of the Special Committee.

Adjournment

The meeting was adjourned at 1:40 p.m.

LR:ksm