

Fiscal Estimate Narratives

DOR 4/11/2016

LRB Number	15-3858/1	Introduction Number	AB-1019	Estimate Type	Original
Description Conveying tax delinquent property to be used for affordable housing					

Assumptions Used in Arriving at Fiscal Estimate

The bill allows a county to provide incentives for conversion of certain property tax-delinquent property into low-income housing by cancelling the delinquent taxes, including penalties and interest, on the real property. The bill requires that the property owner convey the property to a nonprofit organization for no or nominal consideration, and the organization enter into an agreement with the county to use the property exclusively and directly to provide low-income housing. However, the property under the ownership of the non-profit organization must meet all the requirements under section 70.11(4a) of the Wisconsin Statutes in order to be qualified for a tax-exemption status as benevolent low-income housing.

The bill may result in reduced recovery of unpaid property taxes when a county chooses to cancel property taxes and other charges instead of selling the property through a competitive bidding process. The Department of Revenue (DOR) does not have sufficient data to estimate the number of properties that would be converted to low-income housing through the process proposed by the bill.

Long-Range Fiscal Implications