



2021 ASSEMBLY BILL 736

December 7, 2021 - Introduced by Representatives KATSMA, SKOWRONSKI, WICHGERS, BOWEN, BRANDTJEN, DITTRICH, DRAKE, DUCHOW, LOUDENBECK, MURSAU, NOVAK, ORTIZ-VELEZ, J. RODRIGUEZ, ROZAR, SINICKI, SUBECK, THIESFELDT, ANDRACA and TUSLER, cosponsored by Senators KOOYENGA, CARPENTER, AGARD, DARLING and FELZKOWSKI. Referred to Committee on Ways and Means.

1 **AN ACT** *to amend* 70.11 (intro.); and *to create* 70.11 (4) (a) 1m., 70.11 (4) (a) 1n.
2 and 70.11 (4) (b) 4. of the statutes; **relating to:** a property tax exemption for a
3 community health center.

Analysis by the Legislative Reference Bureau

This bill creates a property tax exemption for the property of a community health center that 1) receives federal grants to provide health services to vulnerable populations, 2) is a nonprofit organization exempt from federal income taxes, and 3) annually treats at least 30,000 patients at all of its locations combined. The exemption also applies to the property of an entity related to or supporting the community health center. With regard to land owned by the community health center or a related or supporting entity, the exemption is limited to 25 acres of land that is necessary for the location and convenience of buildings or is vacant land located adjacent to or within 0.5 miles of the property of the center or related or supporting entity, while such property is not used for profit. Current law provides similar property tax exemptions for property owned by churches or religious, educational, or benevolent associations. Under current law, land owned by churches or religious associations that is necessary for the location and convenience of buildings and used for educational purposes and not for profit is subject to a 30-acre limitation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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For further information see the local fiscal estimate, which will be printed as an appendix to this bill.

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

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

2 **70.11 Property exempted from taxation.** (intro.) The property described
3 in this section is exempted from general property taxes if the property is exempt
4 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and
5 its use, occupancy or ownership did not change in a way that makes it taxable; if the
6 property was taxable for the previous year, the use, occupancy or ownership of the
7 property changed in a way that makes it exempt and its owner, on or before March 1,
8 files with the assessor of the taxation district where the property is located a form
9 that the department of revenue prescribes or if the property did not exist in the
10 previous year and its owner, on or before March 1, files with the assessor of the
11 taxation district where the property is located a form that the department of revenue
12 prescribes. Except as provided in subs. (3m) (c), (4) (b), (4a) (f), and (4d), leasing a
13 part of the property described in this section does not render it taxable if the lessor
14 uses all of the leasehold income for maintenance of the leased property or
15 construction debt retirement of the leased property, or both, and, except for
16 residential housing and except as provided in sub. (4) (b) 4., if the lessee would be
17 exempt from taxation under this chapter if it owned the property. Any lessor who
18 claims that leased property is exempt from taxation under this chapter shall, upon
19 request by the tax assessor, provide records relating to the lessor's use of the income
20 from the leased property. Property exempted from general property taxes is:

21 **SECTION 2.** 70.11 (4) (a) 1m. of the statutes is created to read:

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1 70.11 (4) (a) 1m. Property owned and used exclusively by a community health
2 center that receives a federal grant under 42 USC 254b, is exempt from federal
3 income taxation under section 501 (c) (3) of the Internal Revenue Code, and annually
4 treats at least 30,000 patients at all of the center's locations combined, but not
5 exceeding 25 acres of land that is necessary for the location and convenience of
6 buildings or that is vacant land located adjacent to or within 0.5 miles of property
7 exempt under this subdivision while such property is not used for profit.

8 **SECTION 3.** 70.11 (4) (a) 1n. of the statutes is created to read:

9 70.11 (4) (a) 1n. Property owned and used exclusively by an entity that is
10 related to, as provided under section 267 or 1563 of the Internal Revenue Code, or
11 supporting, as provided under section 509 (a) (3) of the Internal Revenue Code, a
12 community health center described under subd. 1m, but not exceeding 25 acres of
13 land that is necessary for the location and convenience of buildings or that is vacant
14 land located adjacent to or within 0.5 miles of property exempt under this subdivision
15 while such property is not used for profit.

16 **SECTION 4.** 70.11 (4) (b) 4. of the statutes is created to read:

17 70.11 (4) (b) 4. Leasing or subleasing property described under par. (a) 1m. or
18 1n. to a nonprofit organization, governmental entity, or similar organization or
19 entity, regardless of the use of the leasehold income, does not render the property
20 taxable.

21 **SECTION 5. Nonstatutory provisions.**

22 (1) COMMUNITY HEALTH CENTERS. Notwithstanding s. 70.11 (intro.), an owner of
23 property that is exempt from taxation under s. 70.11 (4) (a) 1m. or 1n. may claim the
24 exemption for the assessment as of January 1, 2021, or January 1, 2022, or both, if

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SECTION 5

1 the property owner files the form described under s. 70.11 (intro.) with the assessor
2 of the taxation district no later than 30 days after the effective date of this subsection.

3 **SECTION 6. Initial applicability.**

4 (1) COMMUNITY HEALTH CENTERS. The treatment of s. 70.11 (4) (a) 1m. first
5 applies to the property tax assessments as of January 1, 2021.

6 (END)