

**1999 DRAFTING REQUEST**

Bill

Received: **12/18/98**

Received By: **jkreye**

Wanted: **As time permits**

Identical to LRB:

For: **Tom Sykora (608) 266-1194**

By/Representing: **Sara Jermstad**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Tax - sales**

Extra Copies:

**Pre Topic:**

No specific pre topic given

**Topic:**

Tax exemption on real property used for nonprofit community-based activities.

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Reauired</u>
/?	jkreye 01/11/99	ptellez 01/15/99		_____			Local Tax
/1		jkreye 01/27/99	martykr 01/15/99	_____	lrb-docadmin 01/15/99	lrb_docadmin 02123199	Local Tax
		j geller 01/27/99	martykr 01/29/99	_____	lrb-docadmin 01/29/99		
			hhagen 01/29/99	_____			

Vers.      Drafted      Reviewed      Typist      Proofed      Submitted      Jacketed      Required

haugeca      \_\_\_\_\_  
01/29/99      \_\_\_\_\_

FE Sent For: 02/23/99.  
(1/1)

<END>

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			hhagen 01/29/99	_____			
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1/29/99 9:45:34 AM  
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FE Sent For:

**<END>**

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/1		<i>1/27 jlg</i>	martykr 01/15/99	_____	lrb_docadmin 01/15/99		

FE Sent For:

*km/28* *km/29*

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**Topic:**

Tax exemption on real property used for non-profit community-based activities.

**Instructions:**

See Attached

*PI submit*

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1/?	jkreye	1/21/99 PI JLG 1/4	Km/15	23 Km/15			

FE Sent For:

<END>

LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, 5th Floor, 100 N. Hamilton St.  
(608) 266-3561

Use of this form is optional. It is often helpful to talk directly with the LRB attorney who will draft the bill.  
Use this form only for BILL drafts. Attach more pages if necessary.

Date of request: 12/15/98	Legislator or agency requesting this draft: Rep. Tom Sykora
Name/phone number of person submitting request: Tom Sykora 266-1194	
Persons to contact for questions about this draft (names and phone numbers please): Jermsted 266-1195	
Describe the <b>problem</b> , including any helpful examples. How do you want to solve the problem? Tax exemption on <sup>real</sup> personal property used for <u>not-for-profit</u> community based activities for example, <del>the</del> little league facilities this does not include concession stands, or anything else involving profit-making only non-profit facilities used by the public	
If you know of any statute sections that might be affected, please list them or provide a marked [not re-typed] copy.	

Please attach a copy of any correspondence or material that may help us. You may also attach a marked (not re-typed) copy of any LRB draft, or provide its number (e.g., 1997 LRB-2345/1 or 1995 AB-67):

Requests are confidential unless stated otherwise.

May we tell others that we are working on this for you?  YES  NO

If yes, anyone who asks?  YES  NO

Any legislator?  YES  NO  ONLY the following persons:

Do you consider this urgent?  YES  NO If yes, please indicate why:

Is this request of higher priority than other pending request(s) you have made?

YES  NO If yes, please sign your name here:





spoke in para 1-5-99 (2  
"real property tax exemption" (1-7-99)

any community activity; not necessarily  
activity of nonprofit  
org

to any private owner who allows  
a not-for-profit activity  
by the community  
a  
community group

requester will consider if meets limit on  
size of parcel.



WPO -  
Fix request  
sheet

P-N

generate  
catalog

1 AN ACT ...; relating to: a tax exemption on real property used for nonprofit  
2 activities.

**Analysis by the Legislative Reference Bureau**

Under current law, real property owned and used by certain nonprofit or charitable organizations is exempt from real property taxes. This bill creates a property tax exemption for real property used for nonprofit activities by a community, a local association or organization. The bill does not require that a real property owner be a nonprofit or charitable organization to qualify for the tax exemption.

a local  
a

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:**

3 SECTION 1. 70.11 (40) of the statutes is created to read:

4 70.11 (40) REAL PROPERTY USED FOR NONPROFIT ACTIVITIES. Real property used  
5 exclusively for nonprofit activities by a community, a local association or a local  
6 organization, if the real property owner derives no pecuniary profit from the  
7 activities.



DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1379/dn  
JK/fst...

A  
+  
JLg

ch.

Please let me know if I have conveyed your intent. I avoided using the phrase "community-based" because it has a very specific meaning in other parts of the statutes. See Chapter 16 of the statutes (referring to organizations providing housing and development opportunities) and Chapter 50 of the statutes (referring to treatment and care facilities). I did not want to use any language that would unintentionally limit the scope of this bill. That is why I also did not give an example such as "property used for little league" because a court (or the department of revenue) could interpret that example to limit the bill's scope rather than explain its purpose. However, the department of revenue may find that the phrase "by a community, a local association, or a local organization" is too vague *and creates other administrative problems.*

I have used the phrase "used exclusively" to avoid the potential administrative problem that could occur if a person claims that his or her property is exempt because it is sometimes used for nonprofit activities even though it is more often used for commercial purposes. Do you also want to put a limit on the size of the parcel that is entitled to an exemption? If you have any further questions, please do not hesitate to contact me.

Joseph T. Kreye  
Legislative Attorney  
266-~~0123~~  
2263

NS For example, CUNA Mutual, headquartered in Madison, could argue that its property along Mineral Point Road, with its fountains and landscaping, is used exclusively for the beautification of the area; a nonprofit activity.

← [comma in section]

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1379/P1dn  
JK:pgt&jlg:km

January 15, 1999

Please let me know if I have conveyed your intent. I avoided using the phrase "community-based" because it has a very specific meaning in other parts of the statutes. See ch. 16 of the statutes (referring to organizations providing housing and development opportunities) and ch. 50 of the statutes (referring to treatment and care facilities). I did not want to use any language that would unintentionally limit the scope of this bill. That is why I also did not give an example such as "property used for little league" because a court (or the department of revenue) could interpret that example to limit the bill's scope rather than explain its purpose. However, the department of revenue may find that the phrase "by a community, a local association or a local organization" is too vague and creates other administrative problems. For example, CUNA Mutual, headquartered in Madison, could argue that its property along Mineral Point Road, with its fountains and landscaping, is used exclusively for the beautification of the area: a nonprofit activity.

I have used the phrase "used exclusively" to avoid the potential administrative problem that could occur if a person claims that his or her property is exempt because it is sometimes used for nonprofit activities even though it is more often used for commercial purposes. Do you also want to put a limit on the size of the parcel. that is entitled to an exemption? If you have any further questions, please do not hesitate to contact me.

Joseph T. Kreye  
Legislative Attorney  
266-2263

para from syron's office

LRB-1379

amend

except for whatever portions used for the activity



similar to ag land = only that portions used  
for ag purpose is covered as  
such.

no # designation for size limit



# 1999 BILL

*Re-gen*

1 AN ACT to create 70.11 (40) of the statutes; relating to: a tax exemption on real  
2 property used for nonprofit activities.

*any portion of*

### ***Analysis by the Legislative Reference Bureau***

Under current law, real property owned and used by certain nonprofit or charitable organizations is exempt from real property taxes. This bill creates a property tax exemption for real property used for nonprofit activities by a community, a local association or a local organization. The bill does not require that a real property owner be a nonprofit or charitable organization to qualify for the tax exemption.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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

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*any portion of real*

4 70.11 (40) REALPROPERTYUSEDFORNONPROFITACTIVITIES. ~~Real~~ property used  
5 exclusively for nonprofit activities by a community, a local association or a local

**BILL**

1 organization, if the real property owner derives no pecuniary profit from the  
2 activities3

3 ' **SECTION 2. Initial applicability.**

4 (1) This act first applies to assessments as of January 1, 2000.

5 (END)



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**SUBMITTAL  
FORM**

**LEGISLATIVE REFERENCE BUREAU  
Legal Section Telephone: 266-3561  
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and **sign** on the appropriate line(s) below.

**Date:** 1/29/99

**To:** Representative Sykora

**Relating to LRB drafting number:** LRB- 1379

**Topic**

Tax exemption on real property used for nonprofit community-based activities.

**Subject(s)**

Tax - sales

1. **JACKET** the draft for introduction Tom q & 4 3 7 & -  
**in the Senate** or the **Assembly**  (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached \_\_\_\_\_  
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction Tam Sykora  
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreye, Legislative Attorney  
Telephone: (608) 266-2263

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