LRB-1379

1999 DRAFTING REQUEST

Bill

Received: 12/	18/98	Received By: jkreye		
Wanted: As ti	me permits	Identical to LRB:		
For: Tom Syl	kora (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:

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

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Vers.	Drafted	Reviewed	<u>Typist</u>	Proofed	Submitted	Jacketed	Required
			haugeca 01/29/99				

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

<END>

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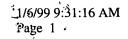
Topic:

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FE Sent For:

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LEGISLATIVE REFERENCE BUREAU

BILL REQUEST FORM

Legal Section, **5**th 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:	Legislator or agency requesting this draft:
12/15/98	Rep. Tom Sykora
Name/phone number of person submitting request;	
Tom Sykora 266-119	(<i>Y</i>
Persons to contact for questions about this draft	
(names and phone numbers please):	
S Jermstad 260	0-195
Describe the problem, including any helpful	
examples. How do you want to solve the	Û.
problem?	1 apl
Tax exemption on person	nal property used for
Conot-for-profit (hal property used for community based activitie
for example, too little	laque facilities
	e concession stands, or bluing profit - Making
anything else inc	Diving MUTH-MUKING
_ Only non-profit the	ilities used by the public
If you know of any statute sections that might be	0.
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):

If yes, please indicate why:

Requests are confidential unless stated otherwise. May we tell others that we are working on this for you? TYES TO NO
If yes, anyone who asks? YES NO Any legislator? YES YES ONLY the following persons:

NO

Is this request of higher priority than other pending request(s) you have made? \Box Y E S **Z** NO If yes, please sign your name here:

Do you consider this urgent?
YES

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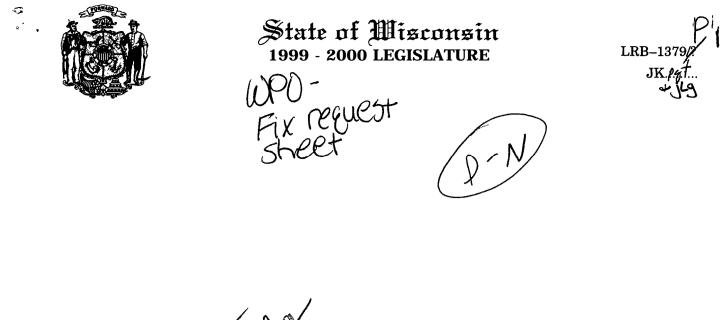
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STATE OF WISCONSIN -LEGISLATIVE **REFERENCE BUREAU** - LEGAL SECTION (608-266-3561)

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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, plocal association on 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.

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 PROPERTYUSED 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. 0

2

1SECTION 2. Initial applicability.2(1) This act first applies to assessments as of January 1, 2000. ✓3(END)

- 2 -

DRAFTER'S NOTE FROMTHE LEGISLATIVE REFERENCE BUREAU

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 vagues and creater by the order of the order of the formula of the phrase "by a community, a local association."

(ch

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 266-1129-2263

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JK.[5.T...

LRB-1379/3dn

For example, CUNA Mutual, headquartered in Madiron, could argue that its property along mineral loint Road, with its fountains and landscaping; is used exclusively for «Comma the beautification of the area: a monprofit activity.

DRAFTER'S NOTE FROM THE LEGISLATIVE REFERENCE BUREAU

January 15, 1999

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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.

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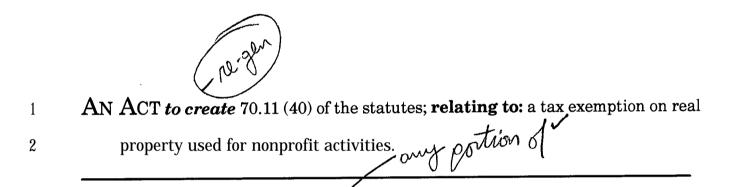
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State of Misconsin 1999 - 2000 LEGISLATURE

LRB-1379 JK:pgt&jlg:km

1999 BILL



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•.1999 - 2000 Legislature – 2 – LRB-1379/P1 **а** 1 JK:pgt&jlg:km BILL SECTION 1 `**T** jr; 2 organization, if the real property owner derives no pecuniary profit from the 1 2 activities3 ' SECTION 2. Initial applicability. 3 (1) This act first applies to assessments as of January 1, 2000. 4 5 (END) 1 ·. •

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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 _______ (3 M g & 4 3 7 & -_____

in the Senate or the Assembly \checkmark (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

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 .

