



## Fiscal Estimate Narratives

DOR 2/7/2012

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|---|-----------------------------|------------------------|
| LRB Number 11-2725/2  | Introduction Number AB-0496 | Estimate Type Original |
| <b>Description</b><br>The property tax exemption for certain housing facilities |                             |                        |

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, all real and personal property of a housing facility is exempt from property tax if all of the following apply: (a) the facility is owned by a nonprofit organization, (b) at least 90% of the facility's residents are students at the University of Wisconsin – Madison, and the facility houses no more than 300 such students, and (c) the facility offers support services and outreach programs to its residents, the public or private institution of higher learning at which the students are enrolled, and the public. This exemption was designed to exempt the facility owned by the Presbyterian Student Center Foundation on East Campus Mall in the City of Madison.

Under the bill, the above exemption would be amended to specifically exclude any housing facility owned or used by a university fraternity or sorority, college fraternity or sorority, or high school fraternity or sorority, which potentially could meet the three qualifications noted above. Most, if not all, university fraternity and sorority housing is currently on the tax rolls. Based on assessment roll data for 2011 on the City of Madison web-site, it is estimated that there were 33 properties (counting contiguous parcels as one property) owned or used by fraternities or sororities associated with the University of Wisconsin – Madison. These properties had a total assessed value of about \$30 million, and were levied about \$686,000 in property taxes for the 2011/12 property tax year.

Since the property affected by the bill is already on the property tax rolls, the bill's exclusion from the exemption would have no fiscal effect on the City of Madison or its overlying taxation jurisdictions, and would shift no taxes from the affected property to other taxpayers.

### Long-Range Fiscal Implications