

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5449/1	Introduction Number AB-0851
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Description
 a property tax exemption for the Milwaukee Regional Medical Center

Fiscal Effect

State:

- | | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect
<input type="checkbox"/> Indeterminate
<input type="checkbox"/> Increase Existing Appropriations
<input type="checkbox"/> Decrease Existing Appropriations
<input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues
<input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Decrease Costs |
|---|--|---|

Local:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> No Local Government Costs
<input type="checkbox"/> Indeterminate
1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenue
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected
<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|---|--|--|

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOR 1/19/2022

LRB Number	21-5449/1	Introduction Number	AB-0851	Estimate Type	Original
Description a property tax exemption for the Milwaukee Regional Medical Center					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates a property tax exemption for all property owned or leased by a nonprofit organization and located on or adjacent to the campus comprised of the institutions commonly referred to as the Milwaukee Regional Medical Center. Under the bill, leasing a part of the property does not render it taxable if the lease income is used for any of the purposes for which the nonprofit is granted an exemption from federal income taxes.

Under the bill, based on 2021 assessment data for the City of Wauwatosa, approximately \$667,502,000 in property would become exempt. Based on preliminary 2021-22 statement of tax data for Wauwatosa, the net property tax shift from exempting Milwaukee Regional Medical Center property is estimated at \$13,917,300 for 2022-23 property tax levies. Based on the statewide median home value of \$197,200, the bill would result in a net property tax increase of \$296 (7 percent) for Wauwatosa and \$39 (1 percent) for other Milwaukee County municipalities. The actual fiscal effect could be higher based on location and property value. For example, based on an average home value of \$270,000 in Wauwatosa, the bill would result in a net property tax increase of \$405 (7 percent) for Wauwatosa and \$53 (1 percent) for other Milwaukee County municipalities.

The bill does not impact tax incremental districts.

The department can absorb minimal administrative costs.

Long-Range Fiscal Implications