

## Fiscal Estimate - 2021 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 21-3262/1		<b>Introduction Number</b> SB-694	
<b>Description</b> property tax exemption for a community health center			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<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	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
<b>5. Types of Local Government Units Affected</b>			
<input checked="" type="checkbox"/> Towns		<input checked="" type="checkbox"/> Village	
<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input checked="" type="checkbox"/> School Districts		<input checked="" type="checkbox"/> WTCS Districts	
<input checked="" type="checkbox"/> Cities			
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOR/ Craig Steinfeldt (608) 266-5705		Ann DeGarmo (608) 266-7179	
		<b>Date</b>	
		11/19/2021	

## Fiscal Estimate Narratives

DOR 11/19/2021

LRB Number	21-3262/1	Introduction Number	SB-694	Estimate Type	Original
<b>Description</b> property tax exemption for a community health center					

### Assumptions Used in Arriving at Fiscal Estimate

The bill creates a property tax exemption for 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 its locations combined. Leasing or subleasing the property to a nonprofit organization, government entity, or similar organization or entity, regardless of the use of leasehold income, does not render the property taxable. The property tax exemption first applies to property tax assessments as of January 1, 2021, and the owner may claim the exemption for the assessments as of January 1, 2021, or January 1, 2022, or both if the owner files the exemption form no later than 30 days after the effective date of this subsection.

The department does not have sufficient data to determine what community health care centers may qualify for the exemption statewide. Under the bill, an indeterminate property tax shift would occur from qualifying community health centers to other taxable property beginning in 2022-23. The bill allows community health center to claim the exemption for 2021, and local taxing jurisdictions would have to refund an indeterminate amount of 2021-22 property taxes since the 2021 tax assessments and 2022 budgets are complete.

The Sixteenth Street Community Healthcare Center could qualify for the bill's property tax exemption in the City of Milwaukee resulting in a property tax shift of \$30,600 based on 2020 tax bills. The Department of Health Services has a listing of other federally qualified community health centers, but some may not meet all the property tax exemption qualifications.

The department does not have any administrative costs.

### Long-Range Fiscal Implications