Fiscal Estimate - 2023 Session

☑ Original □ Updated	Corrected	Supplemental		
LRB Number 23-5825/1	Introduction Number	r AB-1126		
Description a property tax exemption for the Wisconsin Hous	sing and Economic Development Au	uthority headquarters		
Fiscal Effect				
Appropriations Reve	ease Existing absorb with			
Permissive Mandatory Permi	5.Types of Loc Units Affects Units Affects Towns Countie School issive Mandatory Districts	☐ Village ☐ Cities es ☐ Others ☐ WTCS		
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS				
Agency/Prepared By	Authorized Signature	Date		
WHEDA/ Samantha Linden (608) 266-2921 Sherry Gerondale (608) 267-1076		3/19/2024		

Fiscal Estimate Narratives WHEDA 3/19/2024

LRB Number 23-5825/1	Introduction Number	AB-1126	Estimate Type	Original	
Description					
a property tax exemption for the Wisconsin Housing and Economic Development Authority headquarters					

Assumptions Used in Arriving at Fiscal Estimate

Under Assembly Bill 1126 (AB1126), the Wisconsin Housing and Economic Development Authority (WHEDA) headquarters and associated parking would be exempt from real estate taxation. WHEDA's previous office location was considered exempt from real estate taxation as property of the state. Since the 1990s, when the real estate tax exemption of the prior headquarters was established, the additions of other explicit real estate exemptions in the statutes for entities similar to WHEDA— such as WEDC— have called into question whether the new office location is exempt from real estate taxation without a similar explicit statutory exemption.

WHEDA does not receive General Purpose Revenue (GPR) from the State of Wisconsin to cover the administration of the organization. Therefore, any increases in costs, including paying real estate taxes on its headquarters, are paid from WHEDA's program revenue, rather than reinvested to meet Wisconsin's affordable housing needs.

In February of 2022, WHEDA took ownership of its new office headquarters located at 908 East Main Street, Madison WI 53704, and associated parking. Real estate taxes for 2022 were assessed in the amount of \$372,642.34 for the headquarter building, and \$70,656.12 for the associated parking. WHEDA paid its pro-rata share of these taxes. This is program revenue that was not reinvested in WHEDA's existing programs in 2023.

Long-Range Fiscal Implications

An explicit exemption from real estate property taxes will guarantee WHEDA may retain and reinvest program revenue in its mission and have a greater impact in meeting the need for affordable housing in Wisconsin.