



2021 ASSEMBLY BILL 851

January 18, 2022 - Introduced by Representatives WITKE, J. RODRIGUEZ, NEYLON, MACCO, KUGLITSCH and CABRERA, cosponsored by Senators KOOYENGA and DARLING. Referred to Committee on Ways and Means.

1 **AN ACT** *to amend* 70.11 (intro.); and *to create* 70.11 (4L) of the statutes;
2 **relating to:** a property tax exemption for the Milwaukee Regional Medical
3 Center.

Analysis by the Legislative Reference Bureau

This 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 organization is granted an exemption from federal income taxes.

Current law provides property tax exemptions for certain nonprofit hospitals and the grounds of any incorporated college or university. Under current law, generally, leasing a part of exempt property does not render it taxable if the lessor uses all the income derived from the lease for maintenance of the leased property, retiring the construction debt of the leased property, or both. In addition, an incorporated college or university may also lease its exempt property for educational or charitable purposes without making it subject to taxation if it uses the lease income for charitable purposes.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

ASSEMBLY BILL 851

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:

1 **SECTION 1.** 70.11 (intro.) of the statutes is amended to read:

2 **70.11 Property exempted from taxation.** (intro.) The property described
3 in this section is exempted from general property taxes if the property is exempt
4 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and
5 its use, occupancy or ownership did not change in a way that makes it taxable; if the
6 property was taxable for the previous year, the use, occupancy or ownership of the
7 property changed in a way that makes it exempt and its owner, on or before March 1,
8 files with the assessor of the taxation district where the property is located a form
9 that the department of revenue prescribes or if the property did not exist in the
10 previous year and its owner, on or before March 1, files with the assessor of the
11 taxation district where the property is located a form that the department of revenue
12 prescribes. Except as provided in subs. (3m) (c), (4) (b), (4a) (f), ~~and (4d)~~, and (4L) (b),
13 leasing a part of the property described in this section does not render it taxable if
14 the lessor uses all of the leasehold income for maintenance of the leased property or
15 construction debt retirement of the leased property, or both, and, except for
16 residential housing, if the lessee would be exempt from taxation under this chapter
17 if it owned the property. Any lessor who claims that leased property is exempt from
18 taxation under this chapter shall, upon request by the tax assessor, provide records
19 relating to the lessor's use of the income from the leased property. Property exempted
20 from general property taxes is:

21 **SECTION 2.** 70.11 (4L) of the statutes is created to read:

