



2013 ASSEMBLY BILL 522

November 22, 2013 - Introduced by Representatives WEATHERSTON, BIES, T. LARSON, A. OTT and SMITH, cosponsored by Senators TIFFANY, HANSEN, LEHMAN and SCHULTZ. Referred to Committee on State and Local Finance.

1 **AN ACT** *to create* 66.0629 of the statutes; **relating to:** requiring a city, village,
2 town, or county to share with overlying taxation jurisdictions certain payments
3 for potential services received from a tax-exempt entity.

Analysis by the Legislative Reference Bureau

This bill requires a city, village, town, or county (political subdivision) that receives a payment from a nonprofit entity, for a service it might render to tax-exempt property owned by the entity, to share that payment with all of the overlying taxation jurisdictions. Under the bill, the political subdivision and each of the overlying taxation jurisdictions may retain only the same proportional amount that they would have received from the entity if the property in question was not tax-exempt and had in fact paid property taxes to all of the relevant taxation jurisdictions.

For further information see the *state and 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:

4 **SECTION 1.** 66.0629 of the statutes is created to read:
5 **66.0629 Payments for potential services. (1) DEFINITIONS.** In this section:

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1 (a) "Agreement" means any type of agreement entered into between an entity
2 and a political subdivision under which the entity agrees to make payments to the
3 political subdivision for a service that the political subdivision may provide to the
4 property that is owned by the entity and subject to the property tax exemption.

5 (b) "Entity" means a nonprofit entity that claims a property tax exemption
6 under s. 70.11 (4), (4a), or (4d) for property owned by the entity.

7 (c) "Political subdivision" means a city, village, town, or county.

8 (d) "Service" has the meaning given in s. 66.0627 (1) (c).

9 **(2) PAYMENTS FOR SERVICES.** (a) If a political subdivision receives any payment
10 from an entity under an agreement, the political subdivision may not retain the
11 entire amount of the payment. The political subdivision may retain the amount
12 received multiplied by a fraction, the denominator of which is the total amount of
13 property taxes that the entity would have paid, in the taxable year to which the
14 exemption applies, on the property to which the agreement applies if the entity did
15 not claim the tax exemption, and the numerator of which is the amount of property
16 taxes the political subdivision would have received from the entity for that property
17 in that taxable year.

18 (b) Any payment received by a political subdivision, as described under par. (a),
19 that the political subdivision may not retain shall be forwarded to the overlying
20 taxation jurisdictions that would have collected property taxes on the property in
21 that taxable year if the entity did not claim the tax exemption. Each overlying
22 taxation jurisdiction may retain the amount received by the political subdivision
23 multiplied by a fraction, the denominator of which is the total amount of property
24 taxes that the entity would have paid, in the taxable year to which the exemption
25 applies, on the property to which the agreement applies if the entity did not claim

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1 the tax exemption, and the numerator of which is the amount of property taxes the
2 overlying taxation jurisdiction would have received from the entity for that property
3 in that taxable year.

4 **SECTION 2. Initial applicability.**

5 (1) This act first applies to an agreement that is entered into on the effective
6 date of this subsection.

7 (END)