

## 2009 Wisconsin Act 28

### Changes to Chapter 70

**SECTION 1515m.** 70.11 (intro.) of the statutes is amended to read:

**70.11 Property exempted from taxation.** (intro.)

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

**SECTION 1516.** 70.11 (2) of the statutes is amended to read:

**70.11 (2) MUNICIPAL PROPERTY AND PROPERTY OF CERTAIN DISTRICTS, EXCEPTION.** Property owned by any county, city, village, town, school district, technical college district, public inland lake protection and rehabilitation district, metropolitan sewerage district, municipal water district created under s. 198.22, joint local water authority created under s. 66.0823, transit authority created under s. 59.58 (7), 66.1038, or 66.1039, long-term care district under s. 46.2895 or town sanitary district; lands belonging to cities of any other state used for public parks; land tax-deeded to any county or city before January 2; but any residence located upon property owned by the county for park purposes that is rented out by the county for a nonpark purpose shall not be exempt from taxation. Except as to land acquired under s. 59.84 (2) (d), this exemption shall not apply to land conveyed after August 17, 1961, to any such governmental unit or for its benefit while the grantor or others for his or her benefit are permitted to occupy the land or part thereof in consideration for the conveyance. Leasing the property exempt under this subsection, regardless of the lessee and the use of the leasehold income, does not render that property taxable.

**SECTION 1516c.** 70.11 (3m) of the statutes is created to read:

**70.11 (3m) STUDENT HOUSING FACILITIES.** (a) All real and personal property of a housing facility for which all of the following applies:

1. The facility is owned by a nonprofit organization.
2. At least 90 percent of the facility's residents are students enrolled at the University of Wisconsin-Madison and the facility houses no more than 300 such students.

3. The facility offers support services and outreach programs to its residents, the public or private institution of higher education at which the student residents are enrolled, and the public.

(b) If a nonprofit organization owns more than one housing facility, as described under par. (a), the exemption applies to only one facility, at one location.

(c) Leasing a part of the property described in this subsection does not render it taxable if the lessor uses the leasehold income only for the following:

1. Maintenance of the leased property.
2. Construction debt retirement of the leased property.
3. The purposes for which the exemption under section 501 (c) (3) of the Internal Revenue Code is granted to the nonprofit organization that owns the facility.

**SECTION 1516d.** 70.11 (4) of the statutes is renumbered 70.11 (4) (a) and amended to read:

70.11 (4) (a) Property owned and used exclusively by educational institutions offering regular courses 6 months in the year; or by churches or religious, educational or benevolent associations, or by a nonprofit entity that is operated as a facility that is licensed, certified, or registered under ch. 50, including benevolent nursing homes and retirement homes for the aged but not including an organization that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health maintenance organization as defined in s. 609.01 (2) or a limited service health organization as defined in s. 609.01 (3) or an organization that is issued a certificate of authority under ch. 618 and that offers a health maintenance organization or a limited service health organization and not including property owned by any nonstock, nonprofit corporation which services guaranteed student loans for others or on its own account, and also including property owned and used for housing for pastors and their ordained assistants, members of religious orders and communities, and ordained teachers, whether or not contiguous to and a part of other property owned and used by such associations or churches, and also including property described under par. (b); or by women's clubs; or by domestic, incorporated historical societies; or by domestic, incorporated, free public library associations; or by fraternal societies operating under the lodge system (except university, college and high school fraternities and sororities), but not exceeding 10 acres of land necessary for location and convenience of buildings while such property is not used for profit. Property owned by churches or religious associations necessary for location and convenience of buildings, used for educational purposes and not for profit, shall not be subject to the 10-acre limitation but shall be subject to a 30-acre limitation. Property that is exempt from taxation under this subsection and is leased remains exempt from taxation only if, in addition to the requirements specified in the introductory phrase of this section, the lessee does not discriminate on the basis of race.

**SECTION 1516e.** 70.11 (4) (b) of the statutes is created to read:

70.11 (4) (b) 1. Leasing a part of property described in par. (a) that is owned and operated by a nonprofit organization as a facility that is licensed, certified, or registered under ch. 50, as residential housing, does not render the property taxable, regardless of how the lessor uses the leasehold income.

2. Leasing a part of property described in par. (a) that is occupied by one or more individuals with permanent disabilities for whom evidence is available that demonstrates that such individuals meet the medical definition of permanent disability used to determine eligibility for programs administered by the federal social security administration, as residential housing, does not render the property taxable, regardless of how the lessor uses the leasehold income.

**SECTION 1516f.** 70.11 (4a) of the statutes is created to read:

**70.11 (4a) BENEVOLENT LOW-INCOME HOUSING.** (a) Property owned by a nonprofit entity that is a benevolent association and used as low-income housing, including all common areas of a low-income housing project. Property used for a low-income housing project, including other low-income housing projects under common control with such project, and exempt under this subsection may not exceed 30 acres necessary for the location and convenience of buildings or 10 contiguous acres in any one municipality.

(b) For purposes of this subsection, “low-income housing” means any housing project described in sub. (4b) or any residential unit within a low-income housing project that is occupied by a low-income or very low-income person or is vacant and is only available to such persons.

(c) For purposes of this subsection, “low-income housing project” means a residential housing project for which all of the following apply:

1. At least 75 percent of the residential units are occupied by low-income or very low-income persons or are vacant and available only to low-income or very low-income persons.

2. At least one of the following applies:

a. At least 20 percent of the residential units are rented to persons who are very low-income persons or are vacant and are only available to such persons.

b. At least 40 percent of the residential units are rented to persons whose income does not exceed 120 percent of the very low-income limit or are vacant and only available to such persons.

(d) For purposes of this subsection, low-income persons and very low-income persons shall be determined in accordance with the income limits published by the federal department of housing and urban development for low-income and very low-income families under the National Housing Act of 1937.

(e) For purposes of this subsection, all properties included within the same federal department of housing and urban development contract or within the same federal department of agriculture, rural development, contract are considered to be one low-income housing project.

(f) Leasing property that is exempt from taxation under this subsection or sub. (4b) as low-income housing does not render it taxable, regardless of how the leasehold income is used.

(g) 1. Annually, no later than March 1, each person who owns a low-income housing project shall file with the assessor of the taxation district in which the project is located a statement that specifies which units were occupied on January 1 of that year by persons whose income satisfied the income limit requirements under par. (b), as certified by the property owner to the appropriate federal or state agency, and a copy of the federal department of housing and urban development contract or federal department of agriculture, rural development, contract, if applicable.

2. The format and distribution of statements under this paragraph shall be governed by s. 70.09 (3).

3. If the statement required under this paragraph is not received on or before March 1, the taxation district assessor shall send the property owner a notice, by certified mail to the owner’s last-known address of record, stating that failure to file a statement is subject to the penalties under subd. 5.

4. In addition to the statement under subd. 1., the taxation district assessor may require that a property owner submit other information to prove that the person’s

property qualifies as low-income housing that is exempt from taxation under this subsection.

5. A person who fails to file a statement within 30 days after notification under subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received by the taxation district assessor, but not more than \$500.

**SECTION 1516g.** 70.11 (4b) of the statutes is created to read:

**70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY.** All property of a housing project that satisfies all of the following:

- (a) It is owned by a corporation, organization, or association described in section 501 (c) (3) of the Internal Revenue Code that is exempt from taxation under section 501 (a) of the Internal Revenue Code.
- (b) It is financed by the Housing and Economic Development Authority under s. 234.03 (13).
- (c) The Housing and Economic Development Authority holds a first-lien mortgage security interest on it.
- (d) It is in existence on January 1, 2008.

**SECTION 1516h.** 70.11 (4d) of the statutes is created to read:

**70.11 (4d) BENEVOLENT RETIREMENT HOMES FOR THE AGED.** Property that is owned by a nonprofit entity that is a benevolent association and used as a retirement home for the aged, but not exceeding 30 acres of land necessary for the location and convenience of buildings, while such property is not used for profit, if the fair market value of the individual dwelling unit, as determined by the assessor for the taxation district in which the property is located, is less than 130 percent of the average equalized value under s. 70.57 of improved parcels of residential property located in the county in which the retirement home for the aged is located in the previous year, as determined by the assessor of the taxation district in which the property is located based on the sum of the average per parcel equalized value of residential land and the average per parcel equalized value of residential improvements, as determined by the department of revenue. For purposes of determining the fair market value of an individual dwelling unit under this subsection, the value of any common area is excluded. The common area of a retirement home for the aged is exempt from general property taxes if 50 percent or more of the home's individual dwelling units are exempt from general property taxes under this subsection. If less than 50 percent of the home's individual dwelling units are exempt from general property taxes under this subsection, the common area of the retirement home for the aged is subject to general property taxes. Leasing a part of property used as a retirement home for the aged, as described in this subsection, does not render it taxable, regardless of how the leasehold income is used.

**SECTION 1518.** 70.11 (41s) of the statutes is created to read:

**70.11 (41s) WISCONSIN QUALITY HOME CARE AUTHORITY.** All property owned by the Wisconsin Quality Home Care Authority, provided that use of the property is primarily related to the purposes of the authority.