



1997 SENATE BILL 18

January 15, 1997 - Introduced by Senators DECKER, RUDE, MOEN, WINEKE and WEEDEN, cosponsored by Representatives AINSWORTH, R. YOUNG, URBAN, MUSSER and PLALE. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 70.11 (4m) of the statutes; **relating to:** limiting the property
2 tax exemption for hospitals to exclude health and fitness centers.

Analysis by the Legislative Reference Bureau

This bill limits the property tax exemption for hospitals to exclude health and fitness centers.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

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:

3 **SECTION 1.** 70.11 (4m) of the statutes is amended to read:

4 70.11 (**4m**) NONPROFIT HOSPITALS. (a) Real property owned and used and
5 personal property used exclusively for the purposes of any hospital of 10 beds or more
6 devoted primarily to the diagnosis, treatment or care of the sick, injured, or disabled,
7 which hospital is owned and operated by a corporation, voluntary association,

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1 foundation or trust, except an organization that is organized under s. 185.981 or ch.
2 611, 613 or 614 and that offers a health maintenance organization as defined in s.
3 609.01 (2) or a limited service health organization as defined in s. 609.01 (3) or an
4 organization that is issued a certificate of authority under ch. 618 and that offers a
5 health maintenance organization or a limited service health organization, no part of
6 the net earnings of which inures to the benefit of any shareholder, member, director
7 or officer, and which hospital is not operated principally for the benefit of or
8 principally as an adjunct of the private practice of a doctor or group of doctors. This
9 exemption does not apply to property used for commercial purposes, as a health and
10 fitness center or as a doctor's office. The exemption for residential property shall be
11 limited to dormitories of 12 or more units which house student nurses enrolled in a
12 state accredited school of nursing affiliated with the hospital.

13 (b) Real property leased by and used exclusively for the purposes of any hospital
14 that has 10 beds or more, is devoted primarily to the diagnosis, treatment or care of
15 the sick, injured or disabled and is owned and operated by a corporation, voluntary
16 association, foundation or trust, except an organization that is organized under s.
17 185.981 or ch. 611, 613 or 614 and that offers a health maintenance organization as
18 defined in s. 609.01 (2) or a limited service health organization as defined in s. 609.01
19 (3) or an organization that is issued a certificate of authority under ch. 618 and that
20 offers a health maintenance organization or a limited service health organization,
21 no part of the net earnings of which inures to the benefit of any shareholder, member,
22 director or officer and is not operated principally for the benefit of or principally as
23 an adjunct to the private practice of a doctor or group of doctors. This exemption
24 applies only to real property leased from a nonprofit organization or nonprofit
25 hospital that is exempt from taxation under this chapter and that uses the income

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1 derived from the lease only for maintenance of the leased property or construction
2 debt retirement of the leased property or both. This exemption does not apply to
3 property used for commercial purposes, as a health and fitness center or as a doctor's
4 office.

5 **SECTION 2. Effective date.**

6 (1) This act takes effect on the January 1 after publication.

7 (END)