

January 11, 2022

TO: Chairman Kooyenga
Members, Committee on Financial Institutions and Revenue

FROM: Dr. Julie Schuller, President & CEO
Sixteenth Street Community Health Centers

RE: SB 694 – Property Tax Exemption for Community Health Centers

Dear Chairman Kooyenga and Committee members,

Sixteenth Street Community Health Centers (Sixteenth Street) wishes to express our enthusiastic support for SB 694 which will address a property tax matter that uniquely impacts Sixteenth Street. We're grateful for this hearing today and for Senator Kooyenga's and Representative Katsma's leadership and partnership on this issue.

Sixteenth Street is a non-profit 501(c)(3) Federally Qualified Community Health Center that cares for about 43,000 patients each year at clinics on Milwaukee's south side and in Waukesha. We provide primary medical and behavioral health care, dental services, and ancillary support programs to a disparate patient population – a large majority (70%) of which are on Medicaid or lack health insurance. In addition, more than 95% of our patients live at or below 200% of the federal poverty level.

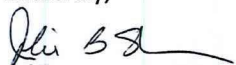
Community Health Centers (CHCs) like Sixteenth Street are not specifically defined in Wisconsin Statutes regarding property taxes. Rather, CHCs fall under the catch all definition of "Benevolent Associations." As stated in the Benevolent Association provision, there's a 10-acre limit on the number of acres a non-profit can own in a single municipality that can be exempted from property tax. Given the critical role CHCs play in caring for vulnerable and underserved populations, it's doubtful that extensively taxing CHCs would have been the legislature's intent more than 70 years ago when the statute was created, especially when much broader exemptions were granted to other healthcare entities prior to CHCs being established in Wisconsin.

In total, Sixteenth Street owns slightly more than 17 acres in Milwaukee – that includes 10 acres of vacant land at our Parkway Clinic. Due to how the entire Parkway property was classified by the city, Sixteenth Street is currently paying nearly \$22,000 per year in property taxes on the vacant land. These are dollars that could instead be invested in the health and well-being of our patients and community. Furthermore, the current 10-acre limit severely impacts our ability to expand in the future should additional space be needed to continue meeting the needs of our community.

Senate Bill 694 would allow CHCs that meet a specific set of criteria up to 25 acres of exempt property in a single municipality. No other CHC in Wisconsin currently owns more than 10 acres in a municipality so the bill's impact is narrow, only affecting Sixteenth Street. Be assured that we've been thoughtful in our approach – the bill's language limits its application to others and sets the maximum acreage at 25, which allows room for modest growth should additional capacity or services for the community be needed.

Only a change in state statute can remedy the property tax burden facing Sixteenth Street. We respectfully ask this committee's members to support our efforts in modifying the property tax exemption for Community Health Centers.

Sincerely,



Julie Schuller, MD, MPH, MBA, FACP
President & CEO
Sixteenth Street Community Health Centers

For questions or more information, please contact Chris Rasch at christopher.rasch@sschc.org.



DALE KOOYENGA
STATE SENATOR · 5TH DISTRICT

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January 11, 2022

TO: Members of the Senate Committee on Financial Institutions and Revenue

FR: Senator Dale Kooyenga

RE: Support for SB 694 – a property tax exemption for a community health center.

This bill creates a property tax exemption for non-profit community health centers that annually treat at least 30,000 patients and are 25 acres or less in overall size.

Community health centers provide care to patients who otherwise may not be able to afford healthcare. These centers often absorb significant costs associated with providing health services to vulnerable populations. To help offset the costs, most community health centers qualify for a property tax exemption if the property is less than 10 acres. While most community health centers in Wisconsin qualify for the current law exemption, Sixteenth Street Community Health Center in Milwaukee has more than 10 acres of property and does not currently qualify for the exemption for acreage owned above 10 acres. The proposed legislation would expand the tax exemption to 25 acres of land.

This legislation has bipartisan support and creates parity among community health centers that provide an invaluable service to underserved populations who might otherwise be unable to access healthcare.

Thank you and I respectfully ask for your support in the passage of SB 694.



TERRY KATSMMA

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P.O. Box 8952
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Date: January 11, 2022
To: Senate Committee on Financial Institutions and Revenue
From: Representative Terry Katsma
Re: Senate Bill 694: Property Tax Exemption

Dear Chairman Kooyenga and committee members,

Thank you for convening a hearing on Senate Bill (SB) 694.

Nonprofit hospitals, and all but one of Wisconsin's community health centers, are exempt from paying property taxes under current law. This bill creates parity by exempting Sixteenth Street Community Health Centers—the one outlying community health center—from paying property taxes.

Community health centers play a role in Wisconsin's health care system similar to nonprofit hospitals. Sixteenth Street Community Health Centers has provided high-quality health care, health education and social services for residents of the multi-cultural neighborhoods on Milwaukee's South Side since 1969.

Sixteenth Street's several locations deliver health care to approximately 41,000 patients annually. Nearly 60 percent of these are Medicaid patients and 22 percent are uninsured. Comprehensive health services include adult and pediatric medicine, behavioral health services, social services, women's health, HIV prevention and treatment and other supplemental programs.

Current law exempts nonprofit hospitals from property taxation (without restriction on the size of their properties). Current law also exempts from property taxation most "benevolent institutions" as long as their total acreage does not exceed 10 acres; churches'/religious associations' properties may remain nontaxable up to 30 acres. All but one of Wisconsin's community health centers are exempt from property taxation under the "benevolent institutions" statute—but Sixteenth Street's several City of Milwaukee properties comprise more than 10 acres in total and are therefore taxable. This bill creates a narrow new tax exemption to correct this disparity.

Thank you for your time and consideration of SB 694.