



City of Madison

Legislative File Number 14517 (version 1)

Title

To fix the property tax exemption.

Body

WHEREAS, over the past many years, hundreds of housing units have been developed in the City of Madison by non-profit organizations specifically for providing affordable housing to low and moderate income residents; and

WHEREAS, the many non-profit organizations which have developed this housing did so with budgets and plans which included exemption from property tax; and

WHEREAS, the City of Madison has been involved in various ways with many of these housing developers, helping them develop this housing, with the understanding and expectation that they would be exempt from property tax; and

WHEREAS, these many non-profit housing developers have been in operation for years with exemption from property tax; and

WHEREAS, recent circuit court rulings have been made in the fall of 2008 which interpret the state law, which provides for property tax exemption, in such a way that may result in all or most of these housing developers losing their exemption; and

WHEREAS, many of these housing providers are unable to adjust their budgets to accommodate this property tax expense and may be forced either to shut down and thus displace their low income residents, or if they are able to raise their rents sufficiently then they will no longer be affordable to low-income renters; and

WHEREAS, the City of Madison does support efforts to amend the state law to protect the tax-exempt status of these housing providers; and

WHEREAS, it is the understanding that the state legislature is considering a number of different options for amendment to the statutes related to property tax exemption; and

WHEREAS, the Madison Common Council has directed the City Attorney and the Community Services Division to explore the scope of the consequences from a failure to amend applicable state laws and to explore all available options to mitigate the impact of losing tax-exempt status of non-profit housing providers;

NOW, THEREFORE, BE IT RESOLVED that the Common Council hereby adopts the following resolution:

- 1. The Madison Common Council strongly urges the Wisconsin State Legislature and the Governor to promptly amend the relevant state laws referenced above.

Y HHH HHH HHH

N H

The Mayor, his staff, & the city lobbyist retained

> 1. The Madison Common Council directs the City's lobbyists to strongly urge the Wisconsin state legislature & the Governor to promptly amend the relevant state laws

Friendly Amendment
by Ald. Bruer, seconded
by Ald. Weaver.

Add to 3.

along with language substantially similar
to that recommended by the City of Madison
Property Tax Exemption Subcommittee.