
Communication file #211061 – re: church properties

December 8, 2021

Items requiring clarification:

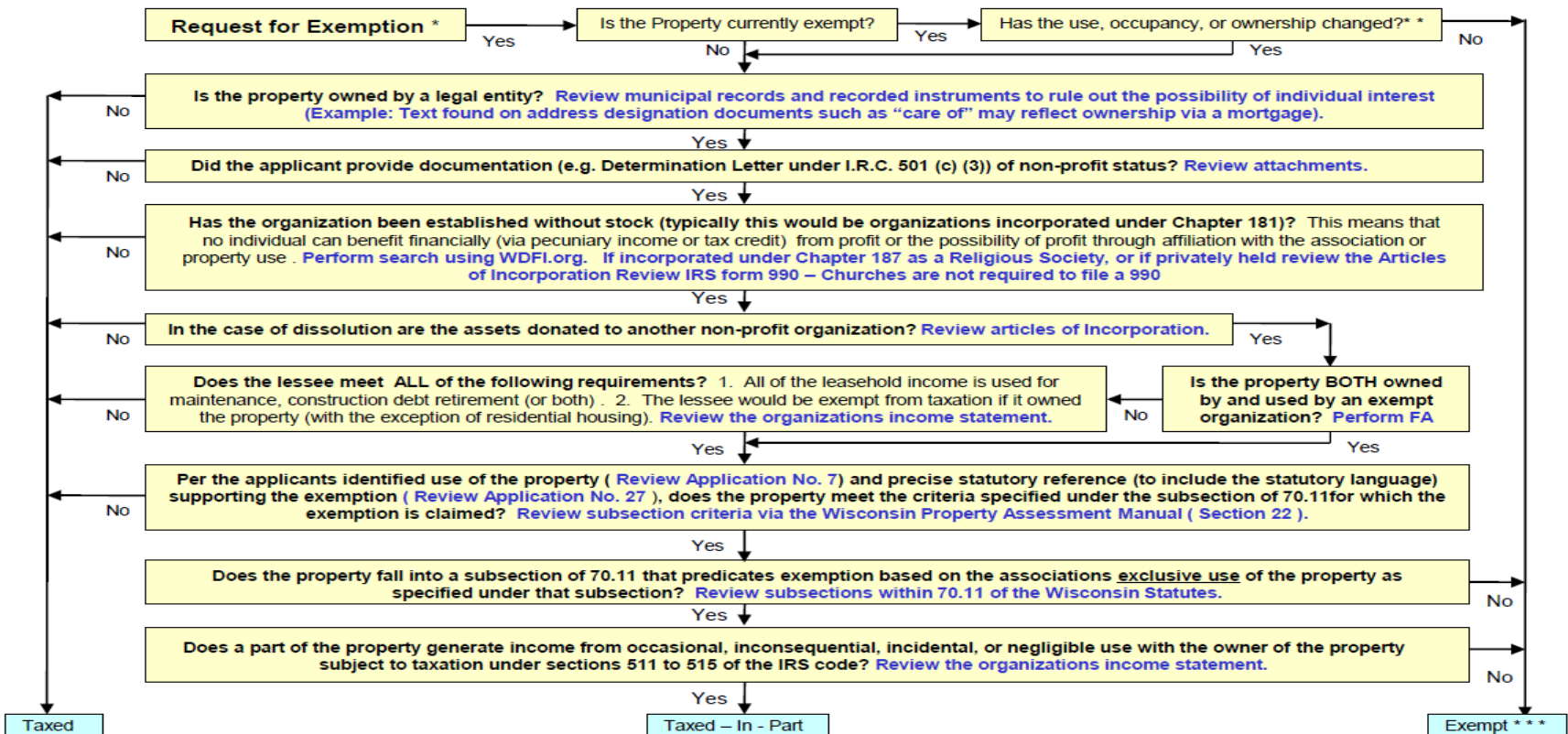
- 1) Rule making authority and control of the exemption process
- 2) Application for exemption vs biennial report
- 3) Federal IRS exemption status vs Wisconsin property exemption status
- 4) Responsibility of property owners to keep the city informed

Exemption Requests

- It is the responsibility of the party seeking an exemption to show that it falls within the statutory criteria for exemption. The courts have repeatedly ruled that the assessor should base exemption decisions on a “strict but reasonable” construction of the statutes. This means that an association must clearly show that it meets the criteria for exemption. If there is any doubt, the assessor should deny the exemption.

Flow Chart for determining Exemptions

Flow Chart for Determination of Property Tax Exemption (all exemptions to be addressed on a case-by-case basis).



* Under 70.11, Stats. (1) Property of the State, (2) Municipal Property, (18) Housing exempt under section 66.12012(22), (21) Treatment Plant or Pollution Abatement Equipment (27) Mfg Machinery & Specific Processing Equipment and (30) Crops are not required to file the Property Tax Exemption Request. The owner on or before March 1st, must file with the assessor of the taxation district using DOR form number PR230.

** The assessment process consists of three on-going procedures: discovery, listing, and valuation. Discovery of new information may require the filing of a new request for exemption.

*** Under Section 70.11 (4), Stats., organizations (with the exception of property owned by churches or religious associations used for educational purposes which is subject to a 30 acre limitation) cannot exceed 10 contiguous acres of land necessary for the location and convenience of buildings.



Wisconsin Statute 70.109

- Wisconsin Statute 70.109 states Exemptions under this chapter shall be strictly construed in every instance

* with a presumption that the property in question is taxable,

* and the burden of proof is on the person who claims the exemption

Once granted...

Once an exemption is granted, the exemption remains intact unless there is a change in:
ownership,
usage or
if a new tenant or occupant

Lax regulation of property tax exemptions costly



Angela Peterson

Freedom Assembly church, 9330 W. Appleton Ave., has a sign on its front door listing a 10 a.m. Sunday service. However, on a Sunday in January, there was no such activity. There also was a chain blocking off the parking lot.

By Raquel Rutledge of the Journal Sentinel

Published on: 3/6/2011



Exemptions

Exemptions (FAQ)

Frequently asked questions regarding property tax exemptions.

Tax Exemption Request

Tax exemption request forms. Due March 1st for the year the exemption is sought.

- [Property Tax Exemption Request \(PR-230\)](#)
- [Low Income Housing Exemption - Property Owner's Certificate of Occupancy \(PR-231\)](#)

Biennial Exemption Report

- [2020 Biennial Exemption Reports and COVID-19 Public Health Emergency](#)
- [Biennial Exemption Report \(PC-220\)](#)
- [Biennial Exemption Report - Multiple Properties \(PC-220A\)](#)

Fair Share Program

The City of Milwaukee has created the Fair Share Program in an effort to facilitate the process of local tax exempt organizations making a fair share contribution for services rendered. This program gives tax exempt institutions an opportunity to help Milwaukee tax payers by offsetting the local tax burden via a Payment in Lieu of Taxes or a PILOT agreement.

Tax Exemption Resources

Guides and information about tax exempt properties and tax exemption determinations.

SECTION 4 – ATTACHMENTS

31. ATTACH COPIES OF THE FOLLOWING DOCUMENTS:

A. Documents regarding applicant, owner, tenant(s), or occupant(s) of the Subject Property (where applicable):

1. Proof of non-profit status (e.g. Determination Letter under I.R.C. 501(c)(3)).
2. Partnership Agreement, Association Documents, Articles of Incorporation, Charter and By-laws, including any amendments thereto.
3. Latest annual report filed with State Department of Financial Institutions.
4. Curriculum of educational courses offered.
5. Part II of Form 1023 (Application for Recognition of Exemption) filed with the Internal Revenue Service.
6. Form 990 (Return of Organization Exempt from Income Tax).
7. Form 990T (Exempt Organization Business Income Tax Return).
8. Ordination papers for the occupants if the Subject Property is to be considered eligible as housing for pastors and their ordained assistants, members of religious order and communities, or ordained teachers.
9. Leases and subleases affecting the Subject Property or any part thereof, including all amendments thereto.
10. Concessionaire agreements, license agreements, and other documents regarding the use of occupancy of the Subject Property or any part thereof, including all amendments thereto.
11. Covenants, restrictions, rules and regulations (recorded or unrecorded), and all amendments thereto, affecting use or occupancy of the Subject Property or title thereto and all amendments thereto.
12. Mortgages (recorded or unrecorded) affecting the Subject Property.
13. Copy of the documents listed in 1 through 12 above as the same relate to any tenant or occupant of the property.
14. Any other information that would aid in determining exempt status.

B. Documents regarding the Subject Property:

1. Survey of the Subject Property. This includes certified survey maps and subdivision maps and plats.
2. An Appraisal of the Subject Property.
3. Deeds or instruments of conveyance by which organization acquired interest in the Subject Property.
4. Any other information that would aid in determining exempt status.

Status of sample properties

The city does not receive more money if an organization becomes taxable, the property owner pays more but everyone else pays a little less. The city processes follow state guidelines.

Each of the properties that have been brought to my attention has been properly handled

- 1) delinquent city bills
 - 2) no exemption application was filed
 - 3) vacant land – no exemption is allowed by statute
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In closing...

The city is aligned with churches - every organization that deserves an exemption should have one.

The Assessor's office will work with every property owner to resolve concerns and to make sure that is the outcome.
