

A low-angle photograph of the Wisconsin State Capitol dome, showing its intricate architectural details, including the columns and the golden statue on top. The sky is a clear, bright blue with a few wispy clouds.

2022 Legislative Update

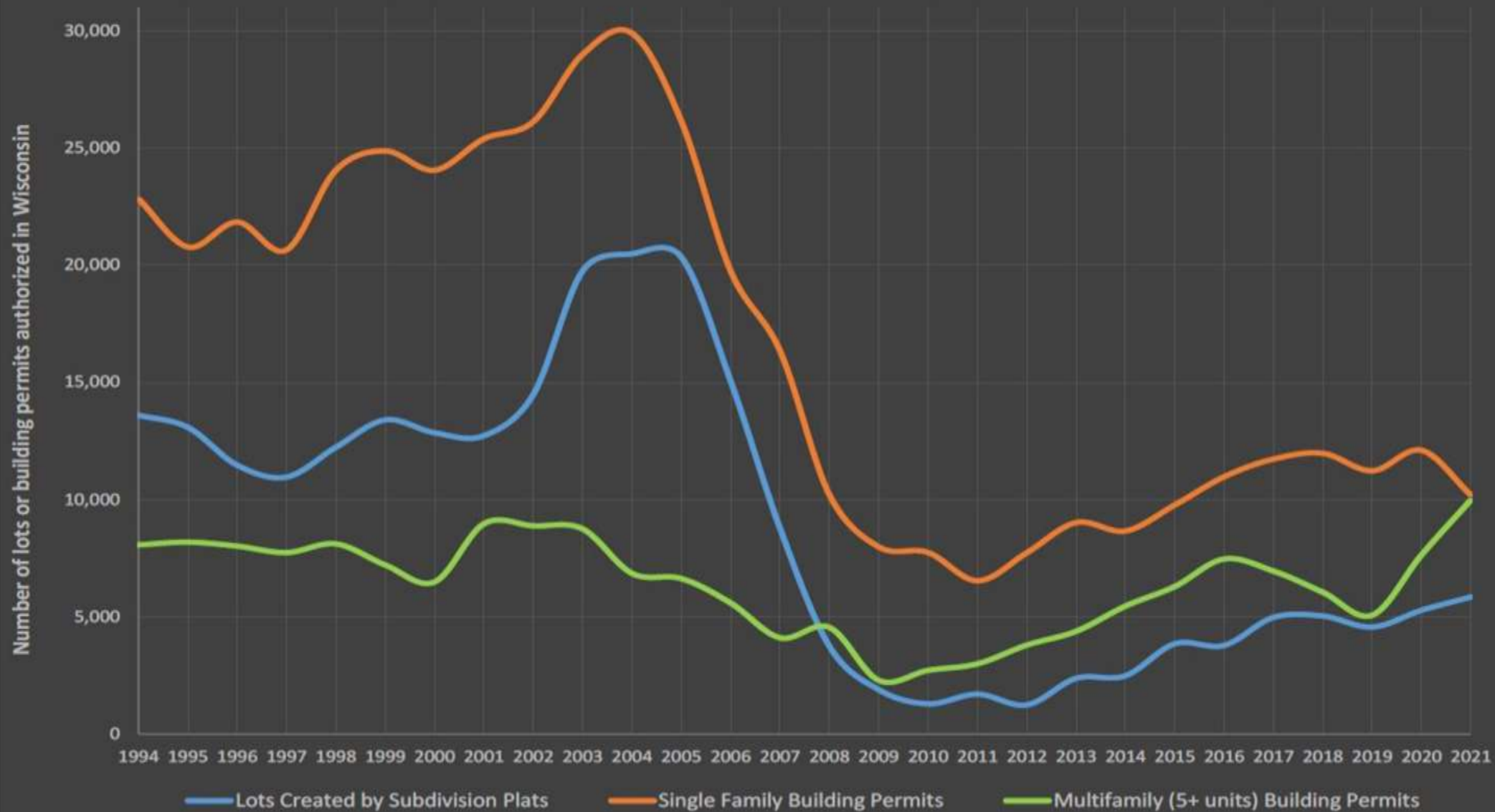
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The image shows the interior of a grand, domed capitol building. The dome is covered in a grid of decorative panels. In the center of the dome, there is a large, colorful fresco depicting a woman holding a torch and a scale, with the word "LIBERTY" written below her. The architecture is highly detailed with gold accents and classical columns. The lighting is bright, highlighting the intricate details of the ceiling and the fresco.

WORKFORCE HOUSING

Housing Construction and Subdivision Activity in Wisconsin have not Recovered from Great Recession, Remain at Historically Low Levels



Source: Subdivision Lots from Wis. Dept. Admin.; Building Permits Database, U.S. Census Bureau. *2021 building permit data is preliminary.

Despite uptick in construction and subdivision lots (2019-2021), production remains less than half of historic trends.

Wisconsin Building Permits and Subdivision Lot Summary

	1994 - 2004	2011 - 2018	2019 - 2021
Avg. Lots (by subdivision), per year	14,096	3,176	5,226
Avg. Building permits, per year	35,909	15,662	19,996
Avg. building permits per 1,000 population	6.78	2.72	3.41

Declining Housing Affordability in Nearly All Wisconsin Metro Regions

Median-Price to Median-Income Ratio (Wis. Metros)	2015	2020	Change
Milwaukee-Waukesha-West Allis, WI	3.89	4.24	9.0% ↑
Madison, WI	3.68	4.03	9.5% ↑
Racine, WI	2.69	3.08	14.5% ↑
Green Bay, WI	2.57	2.99	16.3% ↑
Oshkosh-Neenah, WI	2.45	2.94	20.0% ↑
La Crosse-Onalaska, WI-MN	2.85	2.93	2.8% ↑
Sheboygan, WI	2.46	2.80	13.8% ↑
Appleton, WI	2.32	2.79	20.3% ↑
Janesville-Beloit, WI	2.38	2.60	9.2% ↑
Eau Claire, WI	2.83	2.58	-8.8% ↓
Wausau, WI	2.54	2.41	-5.1% ↓
Fond du Lac, WI	2.17	2.28	5.1% ↑
Chicago-Naperville-Elgin, IL-IN-WI	3.39	3.70	9.1% ↑
Minneapolis-St. Paul-Bloomington, MN-WI	3.11	3.69	18.6% ↑
Duluth, MN-WI	2.70	2.66	-1.5% ↓
United States	3.97	4.37	10.1% ↑

Source: Joint Center for Housing Studies, Harvard University: State of the Nation's Housing, 2021



Wisconsin REALTORS' Association

Existing Housing Stock

Housing stock built before 1980

- Statewide = over 64%
- National = 57%
- Beloit = 71.2%
- Eau Claire = 61%
- Green Bay = 74.5%
- LaCrosse = 69.1%
- Madison = 56%
- Menomonie = 63%
- Milwaukee = 92%
- Wausau = 73%



Many Wisconsin Counties Have More Jobs than Housing Units

County	Jobs/Housing Ratio 2019
Waukesha	1.48
Dane	1.42
Brown	1.39
Outagamie	1.38
La Crosse	1.34
Eau Claire	1.28
Sauk	1.23
Winnebago	1.20
Sheboygan	1.19
Marathon	1.16
Milwaukee	1.15
Ozaukee	1.12
Monroe	1.06
Portage	1.06
Fond du Lac	1.04
Wood	1.04

Source: BLS QCEW (jobs); Census (housing units)

Workforce Housing Package

- **Workforce housing tax credits (AB 156/SB 172)**
- **Shovel-ready residential development sites (AB 603/SB 629)**
- **Local ARPA funds (AB 605)**
- **Workforce housing materials sales tax exemption (AB 606/SB 631)**
- **Workforce housing rehabilitation loan program (AB 607/SB 877)**
- **Local regulatory reform (AB 608/SB 840)**
- **Local housing investment fund (AB 609)**
- **Property tax assessment reform (AB 610/SB 630)**

Workforce Housing Definition

- Housing costs do not exceed 30% of the household's annual income.
- Household annual income
 - Rental = between 60% and 100% of the county median family income
 - Owner-occupied = Not more than 120% of the county median family income



New Financial Tools

- New WFH tax credit program (\$42M)
- New local infrastructure financing tools
- WHEDA no-interest/low-interest loan program for rehabbing older housing stock
- Directs 10% of local ARPA Funds for WFH



Expedites Approval Process

- Creates a mandatory 90-day local approval process for WFH
- Makes residential a permitted use in vacant, commercial areas
- Creates a “developer’s remedy” to seek court approval of projects
- State program to promote “shovel-ready” development sites



Lowers the Cost

- Sales tax exemption for building materials
- No list/asking prices for property tax assessments
- Creates incentives to reduce local development fees



End Result

- Two bills passed both houses
 - **Signed into law** -- Workforce housing rehabilitation loan program (AB 607) – 2021 Wis. Act 221
 - **Vetoed** -- Shovel-ready residential development sites (SB 629)
- Remaining bills will be re-introduced next legislative session



The image shows the interior of a grand, domed capitol building. The dome is covered in a grid of decorative panels. In the center of the dome, there is a large, colorful fresco depicting a woman, likely Liberty, holding a scale and a sword. The word "LIBERTY" is visible on the fresco. The architecture is highly detailed with gold accents and classical columns. The lighting is bright, highlighting the intricate details of the interior.

REGULATORY REFORM

36-month Permit Extensions

2021 Wis. Act 80

- Allows for an automatic 36-month extension of certain permits for ongoing construction projects.



COVID-19 Civil Liability Exemption

2021 Wis. Act 4

- Provides REALTORS® and other businesses with immunity from civil liability resulting in exposure to COVID-19.



Access Easements

2021 Wis. Act 174

- Eliminates 40-year statutory expiration date
- Access easements run in **perpetuity** IF
 - recorded on or after January 1, 1960.
 - recorded before January 1, 1960 and use can be proven from **physical evidence**.



Foreclosure Equity Theft

2021 Wis. Act 216

- Requires counties to pay any net proceeds in a property tax foreclosure sale to the former property owner.
 - Counties continue to be fully reimbursed (penalties, interest, costs)
 - All other lien holders are paid off first



Filled Lands

AB 849/SB 900

The legislation does the following:

- Resolves **title issues** on land formerly lake bed/riverway that has been filled since 1977
- Example – **The Couture Project**, Milwaukee
- Scope of Problem – Every WI **Great Lake City** – MKE, Racine, Kenosha, Sheboygan, Marinette, Ashland, Bayfield, Superior
- Vetoed by Governor Evers



Commercial Building Plans

AB 152/SB 167

Exempts commercial building plans from DSPS approval if all the following:

- Single story less than 200,000 cu. ft
- Not classified by DSPS as intended for certain occupancies and uses
- A registered architect or professional engineer signs or stamps the building plans.
- Vetoed by Governor Evers



STATE BUDGET



Tax Cuts

- **Property tax reduction = \$650 million**
 - \$300/year for average home
- **Income tax reduction = \$2.5 billion**
 - \$900/year for average family



Infrastructure

- **Broadband expansion** = \$125 million
 - Federal ARPA funding = \$100 million
- **I-94 East/West** – enumerates expansion project in MKE County and provides \$40 million in bonding
- **K-12 School Funding** – 2/3 funding for K-12 schools (\$128 million)



Wisconsin's Fiscal Situation

- 2023 projected surplus = \$3.8 billion
- Rainy day fund = \$1.7 billion
- AAA bond rating
- 2023-2024 Legislative Session
 - Major Tax Reform?
 - Income vs. Property Tax



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LEGAL ACTION CASES

Cases

- Nudo Holdings, LLC v. City of Kenosha (2022 WI 17)
 - Decided by WI SCT on 4/12/22
 - Vacant land must be used primarily for agricultural use to qualify for use value
 - Vacant land can be classified as “residential” based upon possible, future use.
- Fassett v. City of Brookfield (2019AP1618)
 - Issue – Whether the City’s denial of a proposed land division due to property owner’s refusal to dedicate property and install a public road constitutes an unconstitutional exaction.





THANK YOU