

BARRON COUNTY RESOLUTION NO. 2017 - 8

**Supporting Efforts to Close Commercial
Property Assessment Loopholes**

TO THE BARRON COUNTY BOARD OF SUPERVISORS:

1
2 **WHEREAS**, homeowners in Wisconsin already pay 70% of the total statewide
3 property tax levy; and
4

5 **WHEREAS**, the disproportionate burden is about to get much worse unless the
6 Legislature addresses tax avoidance strategies that national chains like Walgreens, and
7 big box establishments like Target and Lowe’s are using across the country to gain
8 dramatic reductions in their property tax bills at the expense of homeowners and other
9 taxpayers; and
10

11 **WHEREAS**, a carefully-orchestrated wave of hundreds of lawsuits in Wisconsin
12 is forcing assessors to slash the market value of thriving national retail stores, shifting
13 their tax burden to local mom and pop shops and homeowners; and
14

15 **WHEREAS**, Walgreens and CVS stores in Wisconsin have argued in
16 communities across the state that the assessed value of their property for property tax
17 purposes should be less than half of their actual sale prices on the open market; and
18

19 **WHEREAS**, in many cases the courts have sided with Walgreens and CVS,
20 requiring communities to refund tax revenue back to the stores; and
21

22 **WHEREAS**, there are over 200 Walgreens stores located in Wisconsin; and
23

24 **WHEREAS**, Target, Lowes, Meijer, Menards and other big box chains are using
25 what is known as the “Dark Store Theory” to argue that the assessed value of a new store
26 in a thriving location should be based on comparing their buildings to sales of vacant
27 stores in abandoned locations for a different market segment; and
28

29 **WHEREAS**, the Indiana Legislature has on two occasions in the last two years
30 overwhelmingly passed legislation prohibiting assessors from valuing new big box stores
31 the same as nearby abandoned stores from a different market segment; and
32

33 **WHEREAS**, the Michigan State House overwhelmingly passed similar
34 legislation in May of 2016; and

35 **WHEREAS**, this resolution was approved by the Executive Committee on April
36 12, 2017, on a vote of 6 - 0, with Miller, Horstman, Okey, Bartlett, Heinecke, McRoberts
37 and Rindsig (alternate for Christensen) voting in favor and no members voting against.
38 Christensen, Thompson and Heller were absent.
39

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40 NOW, THEREFORE, BE IT RESOLVED, that Barron County does hereby
41 urge the Governor and State Legislature to protect homeowners and main street
42 businesses from having even more of the property tax burden shifted to them by passing
43 legislation clarifying that:

- 44
45 1. Leases are appropriately factored into the valuation of leased properties;
46 and
47
48 2. When using the comparable sale method of valuation, assessors shall
49 consider as comparable only those sales within the same market segment
50 exhibiting a similar highest and best use rather than similarly sized but
51 vacant properties in abandoned locations.
52

53 BE IT FURTHER RESOLVED, that publication of this resolution may occur
54 through posting in accordance with Section 985.02 of the Wisconsin Statutes.
55

OFFERED THIS 18th day of April, 2017.

Number of readings required: One (X) Two ()
Vote required for passage: Majority (X)
2/3 Entire Board (20) ()
Source of funding: Budgeted () General Fund ()
Grant () Contingency ()
Other (X) Details: N/A
Fiscal impact:
- Current year total amount: \$ - 0 -
- Future years total amount: \$ - 0 -
- Effect on tax levy - current year - \$ - 0 -
- Effect on tax levy - future years - \$ - 0 -
Fiscal impact reviewed by County Finance Department
Jodi Busch, Finance Director
Approved as to form by:
Jeffrey French, Administrator
John Muench, Corporation Counsel
James Miller, Executive Committee Chair
(The Committee Chair signature verifies the action taken by the Committee.)
Board Action: Adopted (X) Failed () Tabled ()
Motion: (Fladten/Heinecke) to approve. Carried.