

Resolution No. 59-03/17
Supporting Efforts to Close Commercial Property Assessment Loopholes

1 Moved/Sponsored by: Finance Committee

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

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

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

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

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

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

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

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

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

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36 **NOW, THEREFORE, BE IT RESOLVED** that Walworth County Board of Supervisors does
37 hereby urge the Governor and State Legislature to protect homeowners and main street
38 businesses from having even more of the property tax burden shifted to them by passing
39 legislation clarifying that:

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- 41 1. Leases are appropriately factored into the valuation of leased properties; and,
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 - 43 2. When using the comparable sale method of valuation, assessors shall consider as
44 comparable only those sales within the same market segment exhibiting a similar
45 highest and best use rather than similarly sized but vacant properties in abandoned
46 locations.
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Policy and Fiscal Note
Resolution No. 59-03/17

- I. **Title:** Supporting Efforts to Close Commercial Property Assessment Loopholes

- II. **Purpose and Policy Impact Statement:** This resolution urges the State legislature to close commercial property assessment loopholes.

- III. **Budget and Fiscal Impact:** This is an advisory resolution. Passage will not impact the approved county budget.

- IV. **Referred to the following standing committees for consideration and date of referral:**

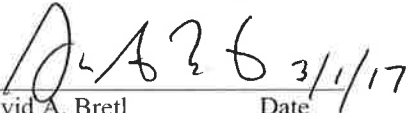
Committee: Finance

Meeting Date: March 14, 2017


Vote: 3 - 0

County Board Meeting Date: March 14, 2017

Policy and fiscal note has been reviewed and approved as an accurate statement of the probable policy and fiscal impacts associated with passage of the attached resolution.



David A. Bretl Date
County Administrator/Corporation Counsel



Nicole Andersen Date
Deputy County Administrator - Finance