

RESOLUTION NO. 2017-01

Requesting the State of Wisconsin to Enact Legislation Requiring Accurate Value Comparisons When Establishing the Assessed Value of National Retail Stores

Executive Summary

Some national retail stores are arguing that the assessed value of their new store should be based on comparing it to nearby vacant or abandoned stores from a different market segment, and in many cases, courts have sided with the national retail stores requiring communities to refund tax revenue. This method of valuation is known as the “Dark Store” theory of valuation. This resolution is an advisory resolution requesting the Wisconsin Governor and Legislators to enact legislation to require accurate value comparisons when establishing the assessed value of national retail stores. The Administration and Rules Committee considered this resolution at its March 29, 2017 meeting and voted to forward to the County Board for approval.

WHEREAS, the Executive Summary is hereby incorporated by reference into this resolution, and

WHEREAS, some national retail stores in Wisconsin have argued that the assessed value of their property for property tax purposes should be based on the fair market value of the building if it was vacant or abandoned, and

WHEREAS, some national retail stores are using what is known as the "Dark Store" theory to argue that the assessed value of a new, thriving store should be based on comparing their buildings to nearby vacant or abandoned stores from a different market segment and in many cases, courts have sided with the national retail stores, requiring communities to refund tax revenue, and

WHEREAS, lawsuits in Wisconsin are forcing assessors to reduce the assessed value of thriving national retail stores, shifting the tax burden to local businesses and homeowners, and

WHEREAS, homeowners in Wisconsin pay over 70% of the total statewide property tax levy, and

WHEREAS, the Indiana State Legislature has on two occasions in the last two years overwhelmingly passed bipartisan legislation prohibiting assessors from valuing new national retail stores the same as nearby abandoned stores from a different market segment, and

WHEREAS, the Michigan State House overwhelmingly passed similar legislation in May of 2016, and

