## **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

WHEREAS, the disproportionate burden of property taxes on homeowners will worsen unless legislators take action to amend the property tax law and prevent some national retail stores from receiving significant reductions in the assessed value of their commercial stores resulting in a significant reduction in their property taxes, and

NOW, THEREFORE, BE IT RESOLVED by the Jefferson County Board of Supervisors that the Wisconsin Governor and Legislators are hereby requested to enact legislation that protects homeowners and small businesses from having more of the property tax burden shifted to them by requiring accurate value comparisons when establishing the assessed value of national retail stores.

BE IT FURTHER RESOLVED that this Board requests the Wisconsin Governor and Legislators to enact legislation requiring assessors to consider as comparable only those sales within the same market segment exhibiting a similar highest and best use, rather than similarly sized but vacant properties in abandoned locations, when using the comparable sale method of valuation.

BE IT FURTHER RESOLVED that the County Clerk is directed to forward a copy of this resolution to Governor Scott Walker, the Wisconsin Counties Association and Jefferson County's Legislative Representatives with the request that they assist in this endeavor.

Fiscal Note: No fiscal impact.

STATE OF WISCONSIN ) so COUNTY OF JEFFERSON )

I, Barbara A. Frank, County Clerk of Jefferson County, Jefferson, Wisconsin, do hereby certify that the attached is a true and correct copy of Resolution No. 2017-01 adopted at the April 19, 2017, Session of the County Board of Supervisors at the County Courthouse in the City of Jefferson.

WITNESS MY HAND AND SEAL this 18th day of April 2017.

Barbara A. Frank Jefferson County Clerk Jefferson, Wisconsin

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