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2016 RES-573  
SUPPORTING EFFORTS TO CLOSE  
COMMERCIAL PROPERTY ASSESSMENT LOOPHOLES

Homeowners in Wisconsin already pay 70% of the total statewide property tax levy. The disproportionate burden is about to get much worse unless the Legislature addresses tax avoidance strategies that national chains like Walgreens, and big box establishments like Target and Lowe's are using across the country to gain dramatic reductions in their property tax bills at the expense of homeowners and other taxpayers.

A carefully-orchestrated wave of hundreds of lawsuits in Wisconsin is forcing assessors to slash the market value of thriving national retail stores, shifting their tax burden to local mom and pop shops and homeowners. Walgreens and CVS stores in Wisconsin have argued in communities across the state that the assessed value of their property for property tax purposes should be less than half of their actual sale prices on the open market. In many cases, the courts have sided with Walgreens and CVS, requiring communities to refund tax revenue back to the stores. There are over 200 Walgreens stores located in Wisconsin; and.

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

Other states have taken action. The Indiana Legislature has on two occasions in the last two years overwhelmingly passed legislation prohibiting assessors from valuing new big box stores the same as nearby abandoned stores from a different market segment. The Michigan State House overwhelmingly passed similar legislation in May of 2016.

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

1. Leases are appropriately factored into the valuation of leased properties; and
2. When using the comparable sale method of valuation, assessors shall 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.

BE IT FINALLY RESOLVED that a copy of this resolution be sent to Governor Scott Walker and the Dane County legislative delegation.