

RESOLUTION NO. 27
2016-2017 COMMON COUNCIL

A Resolution regarding Tax Loopholes used by National Chains Causing More of Property Tax Burden
to be Shifted from Commercial to Residential

Whereas, home owners in Wisconsin already pay over 70% of the total statewide property tax levy; and

Whereas, that disproportionate burden is about to get much worse unless the Legislature takes action to close loopholes that some national chains and big box retail establishments are using across the country to gain dramatic reductions in their property tax bills at the expense of homeowners and other taxpayers; and

Whereas, a carefully-orchestrated wave of 100s of lawsuits in Wisconsin is forcing assessors to slash the market value of thriving national retail stores, shifting their tax burden to local businesses and homeowners; and

Whereas, some national chain stores in Wisconsin have argued in communities across the state that the assessed value of their property for property tax purposes should be only half of its actual value on the open market; and

Whereas, in many cases the courts have sided with them, requiring communities to refund tax revenue back to the stores; and

Whereas, big box chains 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

Whereas, the Republican-controlled Indiana state Legislature has on two occasions in the last two years overwhelmingly passed bipartisan legislation prohibiting assessors from valuing new big box 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.

Now, Therefore, Be It Resolved, that the City of West Bend urges the Governor and the 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.

Adopted this 17th of October 2016, by the Common Council of the City of West Bend, Wisconsin.

Introduced by Alderperson Chris Jenkins

Kraig K. Sadownikow, Mayor

Attest: Amy Reuteman, City Clerk