

CITY OF WAUWATOSA
Resolution

R-16-211

By: Government Affairs Committee

WHEREAS, home owners in Wauwatosa pay 61.5% of the total property tax levy, and statewide in Wisconsin the share paid by homeowners is approximately 70%; and

WHEREAS, that disproportionate property tax burden could become heavier if large commercial ("big box") property owners are successful in reducing property valuations based upon inaccurate and inappropriate value comparisons utilizing the "Dark Store Theory" to argue that the assessed value of a new, thriving store should be based on comparing their buildings to vacant or abandoned stores from a different market segment; and

WHEREAS, a carefully-orchestrated wave of lawsuits throughout Wisconsin is seeking to force assessors statewide to drastically reduce the market value of thriving retail stores, shifting the taxes otherwise paid by those property owners to small local businesses and homeowners; and

WHEREAS, many national retailers have argued in communities across the state, including at least a dozen large business properties in Wauwatosa, that the assessed value of their property for property tax purposes should be as little as half of what its actual value would be on the open market; and

WHEREAS, if the "Dark Store Theory" were to be adopted by courts deciding such cases, those courts could order communities such as Wauwatosa to refund millions of dollars property tax in revenue to large commercial property owners, a burden which is shared by all property taxing entities, but which falls disproportionately upon cities and villages, and would directly impact the remaining small business and residential property owners; and

WHEREAS, the Indiana state Legislature has on two occasions in the past two years overwhelmingly passed legislation prohibiting assessors from valuing new big box stores using comparisons to 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 common council of the City of Wauwatosa urges the Governor and the Legislature to protect homeowners and small local businesses from being forced to absorb an even more disproportionate share of the property tax burden in Wisconsin due to the actions of courts in relation to the valuation of large retail establishments, by passing legislation clarifying that:

1. Leases for a property are appropriately factored into the valuation of that property; and

2. Assessors must, when using the comparable sale method of valuation, consider as comparable those sales exhibiting a similar highest and best use market segment, rather than similarly sized but abandoned properties.

Passed and Dated November 1, 2016

Carla A. Nidesma
Clerk

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Katherine Perry
Mayor