FILE RESOLUTION NO. 2017 - 1422

A proposed resolution urging the Governor and Legislature to close loopholes that shift a greater property tax burden from commercial to residential properties

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

WHEREAS, the disproportionate burden of property taxes on home owners will worsen unless legislators take action to close loopholes in property tax law that some national chain stores use to gain substantial reductions in property taxes; and

WHEREAS, lawsuits in Wisconsin are forcing assessors to reduce the market value of thriving national chain stores, shifting the tax burden to local businesses and home owners; 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 only be half of its actual value on the open market; and

WHEREAS, some national chain stores are using what is known as a “Dark Store” strategy 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, in many cases, courts have sided with national chain stores, requiring communities to refund tax revenue back to the chain stores; and

WHEREAS, on two occasions in the last two years, the Indiana Legislature overwhelmingly passed 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 Common Council of the City of Janesville does hereby urge the Governor and Legislature to protect local businesses and home owners from having more of the property tax burden shifted to them by passing legislation that allows for leases to be appropriately factored into the valuation of leased properties; and

BE IT FURTHER RESOLVED, that the Common Council does hereby urge the Governor and Legislature 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; and
BE IT FURTHER RESOLVED, that the Common Council directs the Clerk to send a copy of this resolution to Governor Scott Walker and the City of Janesville's legislative delegation.

ADOPTED: May 8, 2017

APPROVED:

Mark A. Freitag, City Manager

ATTEST:

David T. Godek, City Clerk-Treasurer

APPROVED AS TO FORM:

Wald Klimczyk, City Attorney

Motion by: Consent
Second by: Consent

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Proposed by: City Assessor’s Office
Prepared by: City Manager’s Office