

**Resolution #17-20  
Village of Pleasant Prairie**

**Resolution Urging the Governor and the Legislature  
to Close Loopholes that shift Property Taxes  
from Large, National Chain Corporations to  
Small, Local Businesses, Homeowners and Manufacturers**

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

**Whereas**, that disproportionate burden is about to get much worse unless the Legislature addresses tax avoidance strategies used by national retail and service chains across the country to attain dramatic reductions in their property taxes at the expense of local businesses, homeowners, manufacturers, and other taxpayers; and

**Whereas**, a carefully-orchestrated wave of 100s of lawsuits throughout Wisconsin is forcing municipalities to slash the assessed value of properties occupied by successful national retail and service operations, shifting their tax burden to local mom and pop shops, homeowners, and manufacturers; and

**Whereas**, national tenants of retail stores in Wisconsin, such as Walgreen's and CVS have successfully argued in communities across the state that the property they occupy should be assessed for less than half of their actual sale prices on the open market; and

**Whereas**, in most cases the courts have sided with the national tenants citing the 2008 Walgreen v Madison Supreme Court decision based on outdated WI Assessment Manual language, requiring communities to refund tax revenue back to the stores; and

**Whereas**, there are thousands of these types of properties located in Wisconsin's cities and villages; and

**Whereas**, owner occupied retail operations such as Target, Lowe's, Meijer, Menards and other big box chains are using what is known as the "Dark Store Method" to argue that the assessed value of a new store in an economically successful location should be based on comparing their buildings to sales of vacant and empty stores in abandoned locations; and

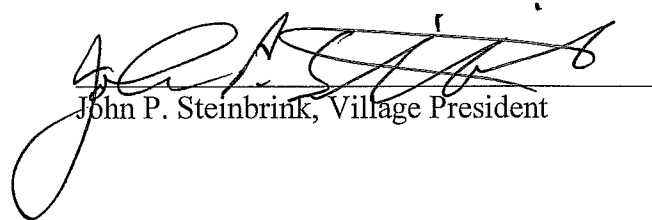
**Whereas**, the Republican-controlled Indiana state Legislature has on two occasions in the last two years overwhelmingly passed legislation prohibiting the valuation of new national retail stores by using sales of vacant stores in abandoned locations and from a different market segment; and

**Whereas**, the Michigan state house overwhelmingly passed similar legislation during May of 2016.

**Now, Therefore, Be It Resolved**, that the Village Board of the Village of Pleasant Prairie urges the Governor and the Legislature to protect homeowners, main street businesses, and manufacturers from having even more of the property tax burden shifted to them by passing legislation clarifying that:

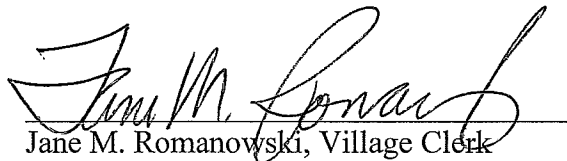
1. Leases are appropriately factored into the valuation of leased properties; and
2. When using the sales comparison method of valuation, assessors shall consider as comparable only those sales within the same market segment exhibiting a similar highest and best use with similar economic characteristics including similarities in occupancy and potential to generate income rather than similar sized but vacant and empty properties in abandoned locations.

Passed and adopted this 15<sup>th</sup> day of May, 2017.



John P. Steinbrink, Village President

Attest:



Jane M. Romanowski, Village Clerk