

## RESOLUTION NO. 17-027

### RESOLUTION URGING STATE LEGISLATURE TO CLOSE COMMERCIAL ASSESSMENT LOOPHOLES CITY OF PORTAGE, WISCONSIN

WHEREAS, nationwide, large-scale national drug store chains and big-box retailers have successfully used legal strategies to overturn local property assessments in numerous cities resulting in refunds of millions of dollars in property taxes at the expense of other local taxpayers; and

WHEREAS, those same retailers have begun targeting Wisconsin municipalities with similar success resulting in cities like Appleton ordered to refund over \$350,000 to CVS after they won a court case brought against the City arguing their assessment should be based on an equivalent sized vacant store (“known as the Dark Store loophole”); and

WHEREAS, the City of Madison lost a Wisconsin Supreme Court ruling and dozens of other municipalities have been subjected to orchestrated lawsuits that successfully argued that their lease payments to landlords should not be used to value the property but instead base the assessment upon the vacant building’s sale price if the large retailer did not lease the property; and

WHEREAS, the dramatic reductions (many times over 50%) in large-scale retailer real estate assessments result in cities either shifting that tax burden to other properties or cutting services and staff; and

WHEREAS, other state legislatures, like Indiana witnessing the loss of millions in property tax revenues, have recognized the adverse impact this has on homeowners and small business owners and have taken steps to successfully close these tax loopholes in their states; and

NOW, THEREFORE, BE IT RESOLVED the Common Council for the City of Portage urgently requests the Wisconsin State Legislature to protect home owners and main street businesses by adopting legislation that:

1. Makes the use of lease payments or income method valuation a legally recognizable and appropriate basis for local property valuation.
2. Makes the use of comparable sales method of valuation in which only the comparable sales within the same market segment exhibiting a similar highest and best use of the property are legal and appropriate rather than comparable sales of vacant devalued properties.

BE IT FURTHER RESOLVED that the City Clerk shall submit certified copies of this resolution to the Governor and our area legislators for their consideration.

Adopted this 24th day of March, 2017



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Rick Dodd, Mayor



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Marie. A Moe, City Clerk