

RESOLUTION NO. 117-2018

A RESOLUTION SUPPORTING STATE LEGISLATION TO CLOSE LOOPHOLES THAT SHIFT A GREATER PROPERTY TAX BURDEN FROM COMMERCIAL PROPERTY OWNERS TO RESIDENTIAL PROPERTY OWNERS

WHEREAS, residential property 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 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 mom and pop shops and homeowners; and

WHEREAS, some of these chain and retail stores in Wisconsin have argued in communities across the state that the assessed value of their property for property tax purposes should be less than half of their actual sale prices on the open market; and

WHEREAS, in many cases the courts have sided with these chain and retail stores, requiring communities to refund tax revenue back to the stores; and

WHEREAS, some big box chains are using what is known as the “Dark Store Theory” to argue that the assessed value of a new store in a thriving location should be based on comparing their buildings to sales of vacant stores in abandoned locations from a different market segment; and

WHEREAS, the Indiana state Legislature has on two occasions in the last two years 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 Beaver Dam, Wisconsin 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; and

BE IT FURTHER RESOLVED, that the City Council directs the Clerk to send a copy of this resolution to our State Legislators, Governor Scott Walker and to the League of Wisconsin Municipalities.

Presented by the following
Alderpsons members of the
Administrative Committee:









Adopted: October 15, 2018


John Somers
City Clerk

Approved: October 15, 2018


Rebecca Glewen
Mayor