RESOLUTION #18-25

RESOLUTION URGING THE GOVERNOR AND LEGISLATURE TO CLOSE LOOPHOLES CAUSING GREATER PROPERTY TAX BURDEN TO SHIFT FROM COMMERCIAL TO RESIDENTIAL PROPERTY OWNERS

Whereas, homeowners 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 State Legislature addresses tax avoidance strategies that national chains like Walgreens and big box retail establishments like Target and Lowe's 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 hundreds 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, Walgreens and CVS 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 Walgreens and CVS, requiring communities to refund tax revenue to the stores; and

Whereas, there are over 200 Walgreens stores located in Wisconsin's cities and villages; and

Whereas, Target, Lowe's, Meijer, Menards, and other 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 Republican-controlled 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 Village Board of the Village of Jackson 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 Village Board directs the Clerk-Treasurer to send a copy of this resolution to our State Legislators, Governor Scott Walker, and to the League of Wisconsin Municipalities.

Introduced by: Pres. Schwab

Seconded by: Tr. Lippold

Vote: 7 Aye 0 Nay

Passed and Approved: October 9, 2018

Michael E. Schwab – Village President

Attest: Jilline S. Dobratz

Jilline S. Dobratz – Village Clerk-Treasurer

Proof of Posting:

I the undersigned, certify that I posted this Resolution on bulletin boards at the Village Hall, Post Office, and one other location in the Village.

Jilline S. Dobratz

Village Official

October 10, 2018

Date