



City of West Allis

Legislation Text

File #: R-2018-0333, **Version:** 1

Resolution scheduling an Election for an Advisory Referendum to protect local businesses, apartment owners, and homeowners from tax shifts by passing legislation to close the dark store and Walgreens property tax loopholes.

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

WHEREAS, the disproportionate burden of property taxes on homeowners 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 local governments to lower the market value of thriving national chain stores, shifting the tax burden to local businesses, apartment owners, and homeowners; 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 be only 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 vacant or abandoned stores from a different market segment; and

WHEREAS, legislation to close these tax loopholes has been drafted, introduced, and subject to public hearings by the Wisconsin Legislature; and

WHEREAS, this legislation has sufficient bipartisan support in both houses of the Wisconsin Legislature to pass with wide margins.

NOW, THEREFORE BE IT RESOLVED by the Common Council of the City of West Allis, Milwaukee

County, Wisconsin, that:

The Common Council hereby supports the enactment of statewide legislation that:

- 1) prohibits using closed, vacant (dark) properties as comparable properties for determining the assessed value of open, occupied, and fully operational properties; and
- 2) overturns the 2008 Wisconsin Supreme Court decision in *Walgreens v. City of Madison*, which is being interpreted by the courts as requiring municipalities to assess many leased commercial properties at a substantial discount, often 50% below the actual sale prices of such properties.

BE IT FURTHER RESOLVED, that the Common Council directs that the question of enacting such legislation shall be submitted to the electors in an advisory referendum at the election to be held on August 14, 2018.

BE IT FURTHER RESOLVED, that the question shall appear on the ballot as follows:

*Should the state legislature protect residential property taxpayers by preventing commercial and manufacturing property owners from using tax loopholes that shift an ever-increasing tax burden to homeowners who already pay 68% of the statewide property tax levy by enacting legislation that: 1) prohibits using closed, vacant (dark) properties as comparable properties for determining the assessed value of open, occupied, and fully operational properties; and 2) overturns the 2008 Wisconsin Supreme Court decision in *Walgreens v. City of Madison*, which is being interpreted by the courts as requiring municipalities to assess many leased commercial properties at a substantial discount, often 50% below the actual sale prices of such properties?*