

RESOLUTION NO. 2019-42
4-10-2019

SUPPORT FOR CLOSING THE DARK STORE AND WALGREENS PROPERTY TAX LOOPHOLES AND STOPPING THE SHIFT

Whereas, a growing number of big box and medium box retail properties are using property tax avoidance strategies known as the dark store and *Walgreens* loopholes to push their fair share of paying for the cost of critical local services on to homeowners and small businesses; and

Whereas, municipal officials across the state are deeply concerned about more of the property tax burden being shifted onto homeowners and small businesses; and

Whereas, homeowners should not and cannot bear more of the property tax burden than they already do, which is 68% of the total state levy; and

Whereas, the Wisconsin Supreme Court's 2008 *Walgreens* decision has resulted in properties leased to Walgreens and CVS stores that are selling on the open market for \$4 to \$8 million being assessed at \$1.9 to \$3.4 million; and

Whereas, courts and tax appeals commissions in other states have reached the opposite conclusion from the Wisconsin Supreme Court on how to value leased commercial properties, concluding instead that it is perfectly appropriate for assessors to consider actual rent and recent sale prices of the property when valuing such properties; and

Whereas, 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, Governor Tony Evers recommends as part of his state budget proposal, AB 56/SB 59, closing the dark store and *Walgreens* loopholes; and

Whereas, Senator Duey Stroebel (R-Saukville) and Rep. Rob Brooks (R-Saukville) have introduced Senate Bill 130/Assembly Bill 146, closing the dark store and Walgreens loopholes.

Now, Therefore, Be It Resolved, that the Village of Caledonia, calls on the Legislature to close the dark store and *Walgreens* loopholes and stop the tax shift to homeowners and small businesses by either passing SB 130/AB 146 or adopting a state budget that includes language accomplishing that goal.

Be it Further Resolved, that the clerk is directed to send a copy of this resolution to the state legislators representing the Village of Caledonia, to Governor Tony Evers, and to the League of Wisconsin Municipalities.

Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this 15th day of April, 2019.

VILLAGE OF CALEDONIA

By: _____

James R. Dobbs
Village President

Attest: _____

Karie Pope
Village Clerk