

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

RUSSELL J. PODZILNI  
COUNTY BOARD CHAIR  
INITIATED BY



RICHARD GREENLEE  
DRAFTED BY

COUNTY BOARD STAFF  
COMMITTEE  
SUBMITTED BY

JUNE 28, 2018  
DATE DRAFTED

**APPROVING ADVISORY REFERENDUM IN DARK STORE TAX LOOPHOLE**

1 WHEREAS, each time a big box retailer gets a Dark Store tax break, homeowners, small  
2 businesses and other property owners have to pick up a greater share of the property tax levy; and  
3

4 WHEREAS, over the past several months, municipal, county, city, and town officials have been  
5 in contact with state legislators testifying against the Dark Store tax loophole in order to avoid a  
6 property tax burden shifting to other tax pay entities such as residential homeowners and other  
7 businesses and/or cuts in essential services provided by an affected municipality; and  
8

9 WHEREAS, unless the Dark Store loopholes are closed, residents will realize the impact when  
10 they receive their property tax bills in the mail in December; and  
11

12 WHEREAS, Wisconsin State Statute 59.52(25) allows for a county board to conduct a county-  
13 wide referendum for advisory purposes; and  
14

15 WHEREAS, a county-wide advisory referendum on the issue of Dark Stores would provide  
16 guidance to the state legislature as to the will of the Rock County electorate on this issue; and  
17

18 WHEREAS, this resolution seeks authorization to conduct such a county-wide advisory  
19 referendum; and  
20

21 NOW, THEREFORE, BE IT RESOLVED, by the Rock County Board of Supervisors duly  
22 assembled this 12<sup>th</sup> day of July, 2018, that the following referendum be placed on the  
23 November 2018 election ballot:  
24

25 *Question: Should the state legislature enact proposed legislation that closes the*  
26 *Dark Store loopholes, which currently allow commercial retail properties to*  
27 *significantly reduce the assessed valuation and property tax of such properties,*  
28 *resulting in a substantial shift in taxes levied against other tax paying entities,*  
29 *such as residential home owners, and/or cuts in essential services provided by*  
30 *an affected municipality?;*

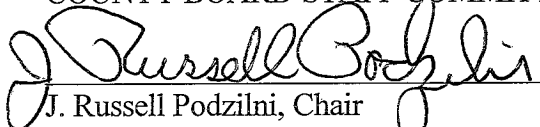
31 and

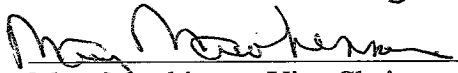
32  
33 BE IT FURTHER RESOLVED, that the Corporation Counsel prepare a Notice of Referendum  
34 to be published by the Rock County Clerk in accordance with statutory requirements; and  
35

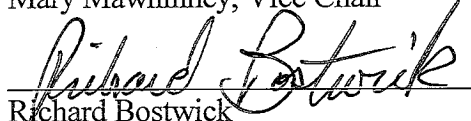
36 BE IT STILL FURTHER RESOLVED, that this resolution and the referendum shall be filed  
37 with the Rock County Clerk no later than 70 days prior to the election at which the question will appear  
38 on the ballot.

Respectfully submitted:

COUNTY BOARD STAFF COMMITTEE

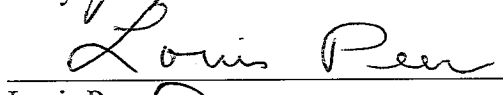
  
J. Russell Podzilni, Chair

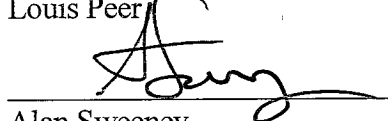
  
Mary Mawhinney, Vice Chair

  
Richard Bostwick

  
Henry Brill

  
Betty Jo Bussie

  
Louis Peer


  
Alan Sweeney

  
Terry Thomas

  
Bob Yeomans

LEGAL NOTE:

The County Board is authorized to take this Action pursuant to secs. 59.51 and 59.52(25), Wis. Stats.

  
Richard Greenlee  
Corporation Counsel

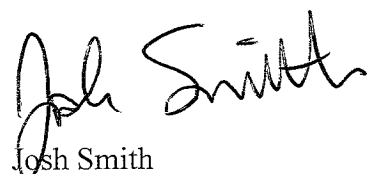
FISCAL NOTE:

This resolution authorizes a county-wide referendum. The costs of including the referendum question on the November ballot are minimal.

  
Sherry Oja  
Finance Director

ADMINISTRATIVE NOTE:

The Rock County Board passed a resolution in March 2017 urging the Governor and Legislature to enact legislation addressing this issue. That resolution, which is attached, provides additional information both in the body of the resolution and the Administrative Note regarding the effects of this practice.

  
Josh Smith  
County Administrator

RESOLUTION NO. 17-3A-231

AGENDA NO. 12.C.(1)

**COPY**

**RESOLUTION  
ROCK COUNTY BOARD OF SUPERVISORS**

County Board Staff Committee  
INITIATED BY



Wisconsin Counties Association  
DRAFTED BY

County Board Staff Committee  
SUBMITTED BY

February 22, 2017  
DATE DRAFTED

**Supporting Efforts to Close Commercial Property Assessment Loopholes**

- 1 WHEREAS, homeowners in Wisconsin already pay 70% of the total statewide property tax levy; and
- 2
- 3 WHEREAS, the disproportionate burden is about to get much worse unless the Legislature addresses
- 4 tax avoidance strategies that national chains like Walgreens, and big box establishments like Target
- 5 and Lowe's are using across the country to gain dramatic reductions in their property tax bills at the
- 6 expense of homeowners and other taxpayers; and
- 7
- 8 WHEREAS, a carefully-orchestrated wave of hundreds of lawsuits in Wisconsin is forcing assessors
- 9 to slash the market value of thriving national retail stores, shifting their tax burden to local mom and
- 10 pop shops and homeowners; and
- 11
- 12 WHEREAS, Walgreens and CVS stores in Wisconsin have argued in communities across the state
- 13 that the assessed value of their property for property tax purposes should be less than half of their
- 14 actual sale prices on the open market; and
- 15
- 16 WHEREAS, in many cases the courts have sided with Walgreens and CVS, requiring communities to
- 17 refund tax revenue back to the stores; and
- 18
- 19 WHEREAS, there are over 200 Walgreens stores located in Wisconsin; and
- 20
- 21 WHEREAS, Target, Lowes, Meijer, Menards and other big box chains are using what is known as the
- 22 "Dark Store Theory" to argue that the assessed value of a new store in a thriving location should be
- 23 based on comparing their buildings to sales of vacant stores in abandoned locations for a different
- 24 market segment; and
- 25
- 26 WHEREAS, the Indiana Legislature has on two occasions in the last two years overwhelmingly passed
- 27 legislation prohibiting assessors from valuing new big box stores the same as nearby abandoned stores
- 28 from a different market segment; and
- 29
- 30 WHEREAS, the Michigan State House overwhelmingly passed similar legislation in May of 2016.
- 31
- 32 **NOW, THEREFORE, BE IT RESOLVED** that the Rock County Board of Supervisors duly assembled
- 33 this \_\_\_\_\_ day of \_\_\_\_\_, 2017, does hereby urge the Governor and State Legislature to
- 34 protect homeowners and main street businesses from having even more of the property tax burden
- 35 shifted to them by passing legislation clarifying that:
- 36
- 37 1. Leases are appropriately factored into the valuation of leased properties; and
- 38
- 39 2. When using the comparable sale method of valuation, assessors shall consider as
- 40 comparable only those sales within the same market segment exhibiting a similar highest
- 41 and best use rather than similarly sized but vacant properties in abandoned locations.

17-3A-231

Supporting Efforts to Close Commercial Property Assessment Loopholes  
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Respectfully submitted:

FINANCE COMMITTEE

\_\_\_\_\_  
Mary Mawhinney, Chair

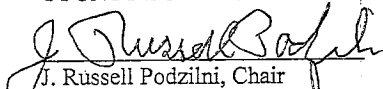
\_\_\_\_\_  
Brent Fox

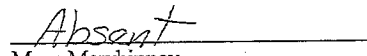
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Sandra Kraft, Vice Chair

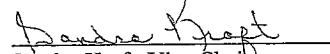
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J. Russell Podzilni

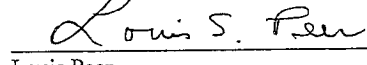
\_\_\_\_\_  
Mary Beaver


COUNTY BOARD STAFF COMMITTEE

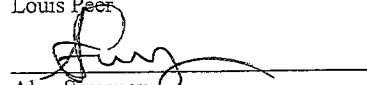
  
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J. Russell Podzilni, Chair

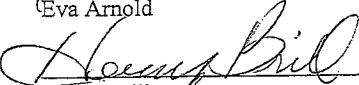
  
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Mary Mawhinney

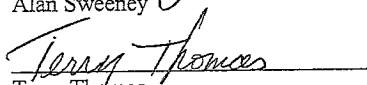
  
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Sandra Kraft, Vice Chair

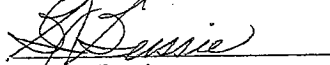
  
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Louis Peers

  
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Eva Arnold

  
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Alan Sweeney

  
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Henry Brill

  
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Terry Thomas

  
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Betty Jo Bussie

FISCAL NOTE:

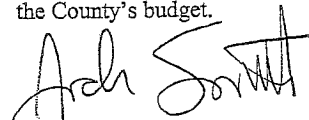
This resolution urges the Governor and State Legislature to close commercial property assessment loopholes and has no direct fiscal impact on Rock County operations in and by itself.



Sherry Oja  
Finance Director

ADMINISTRATIVE NOTE:

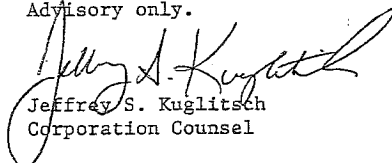
The impact of this approach to property assessment is largely the redistribution of property tax payments from certain businesses to homeowners and other businesses. The amount of the County's portion of taxes refunded to these businesses is added by the State to the County's levy limit in a subsequent year, essentially eliminating the direct impact on the County's budget.



Josh Smith  
County Administrator

LEGAL NOTE:

Advisory only.

  
\_\_\_\_\_  
Jeffrey S. Kuglitsch  
Corporation Counsel