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Title: Resolution urging the State Legislature to pass legislation requiring municipal assessors to use the comparable sale method of valuation when establishing property tax evaluations.

Sponsors: ALD. JOHNSON, ALD. WITKOWSKI, ALD. MURPHY, ALD. LEWIS

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Attachments:

| Date | Ver. | Action By | Action | Result | Tally |
|-----------|------|-----------------------------------|--------------------------|--------|-------|
| 1/18/2017 | 0 | COMMON COUNCIL | ASSIGNED TO | | |
| 1/30/2017 | 0 | JUDICIARY & LEGISLATION COMMITTEE | RECOMMENDED FOR ADOPTION | Pass | 4:0 |
| 1/30/2017 | 0 | CITY CLERK | Sponsor added | | |
| 2/7/2017 | 0 | COMMON COUNCIL | ADOPTED | Pass | 15:0 |
| 2/8/2017 | 0 | JUDICIARY & LEGISLATION COMMITTEE | HEARING NOTICES SENT | | |
| 2/16/2017 | 0 | MAYOR | SIGNED | | |

161270
ORIGINAL

ALD. JOHNSON, WITKOWSKI, MURPHY AND LEWIS

Resolution urging the State Legislature to pass legislation requiring municipal assessors to use the comparable sale method of valuation when establishing property tax evaluations.

This resolution urging the State to pass legislation requiring municipal assessors to use the comparable sale method of valuation when establishing property tax evaluations. Currently, many large retailers argue that the assessed values of new stores should be based on comparing their buildings to sales of vacant stores in abandoned locations from different market segments. State courts, in lieu of appropriate legislative language, have sided with larger retailers, causing the tax burden to shift to residents and smaller retailers.

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 and big-box retailers like Walgreens, 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 values of thriving national retail stores, shifting tax burdens to local mom-and-pop

businesses and homeowners; and

Whereas, Walgreens and CVS stores in Wisconsin have argued in communities across the state that the assessed values of their properties 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 back to these corporations; and

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

Whereas, Target, Lowe's, Meijer, Menard's 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 that building to vacant stores in abandoned locations from different market segments; 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 different market segments; and

Whereas, The Michigan State House overwhelmingly passed similar legislation in May of 2016; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, That the City 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 Clerk shall send a copy of this resolution to the Governor Scott Walker and to each member of Milwaukee's Legislative delegation.

LRB167402
Adam Wickersham
1/4/2017