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The consensus is strong, clear and bipartisan: CLOSE the Dark Store loopholes

The League of Wisconsin Municipalities is grateful to the bipartisan group of Legislators who cosponsored the Dark Store loophole closure legislation. Fifty-five lawmakers, almost evenly-split among the two political parties, have joined in support of Senate Bill 130/Assembly Bill 146.

The League extends a special thanks to the seventeen lawmakers who were *listed as co-authors on the original co-sponsorship memo*, and who urged their peers to join the Dark Store consensus. That list includes:

Representatives: James Edming, Rick Gundrum, Samantha Kerkman, Scott Krug, Jeff Mursau, Romaine Quinn, Jessie Rodriguez, Michael Schraa, David Steffen, Gary Tauchen, and Paul Tittl. Senators: Kathy Bernier, Howard Marklein, Luther Olsen, Jerry Petrowski, and Senate President Roger Roth.

Senate Bill 130 was referred to the Senate Agriculture, Revenue and Financial Institutions Committee where seven of the nine committee members, including the committee chair and vice-chair, are co-authors of the legislation to close the Dark Store loopholes. Assembly Bill 146 was referred to the Assembly Committee on State Affairs. No hearing dates have been set in either committee yet.

The Dark Store legislation addresses two property tax loopholes that have enabled certain commercial properties to demand, and receive, significant property tax reductions. The Dark Store theory holds that a property is so unique it has very low resale value (and thus should be compared to vacant, "dark" stores for determining property tax value). The second loophole is based on the 2008 Wisconsin Supreme Court Walgreens decision, which prevents an assessor from considering actual contract rent in determining the value of certain types of retail income property.

Last session the two tax issues were treated separately, but this session the bill authors have combined them into one bill.

Wisconsin's property tax system depends upon all property owners contributing their fair share for police, fire, and school services. Fairness is determined by the actual fair market value of property. The Dark Store loopholes are not fair to residential, small commercial and other property owners. When a Dark store property gets a tax break, other taxpayers pay more. The League estimates the shift from commercial to residential could be as high as \$150 million statewide. That translates to an average tax increase of 8% for homeowners and small businesses in affected communities across the state. It is critical that the Legislature act this session to stop this unfair shift.

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The League of Wisconsin Municipalities advocates for Wisconsin's cities and villages, large and small, urban and rural, speaking up for local democracy and common-sense citizen led government. Learn more at <http://www.lwm-info.org/>

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