

CITY OF LAKE GENEVA

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Date: June 29, 2017

To: Wisconsin State Assembly Ways & Means Committee and the Wisconsin State Legislature

From: Blaine Oborn, City Administrator

Subject: Testimony on the Closing the Dark Store Loophole

I am Blaine Oborn the City Administrator of the City of Lake Geneva, Wisconsin. I appreciate the opportunity to speak to the members of the Wisconsin State Assembly in support of legislation that could close the dark store loopholes.

On May 30, 2016 at 4:52 AM Lake Geneva Police Officers were called to the Lake Geneva Walgreens on the report of an armed robbery. The robber demanded narcotics and threatened to blow up the store with a drone. The robber fled before the officers arrived. The robber was taken into custody peacefully in about 12 hours due to excellent police work. I bring this incident up because this is a store open 24/7 paying at least half the property taxes it should be paying. I also note that dark stores don't have armed robberies at 4:52 am.

Due to the dark store loop hole, the commercial property assessment in the City of Lake Geneva between 2014 and 2015 dropped 1.7% thus leading to increased dependence on home owners and small businesses. In 2016, Best Buy was able to drop its property value by 2.2 million dollars. Someone once told me a little greed is okay but a lot of greed will get you in trouble. Taking advantage of these loopholes is a lot of greed and needs to be stopped.

Lake Geneva as tourist community in Wisconsin is already faced with financial challenges including no tourist sales tax, reduction in room tax revenue, and a disproportionate allocation of State shared revenue.

In behalf of the residents and small businesses in Lake Geneva, I ask that Rep. Tyler August and the Wisconsin legislature close the tax loopholes and bring equity back to property taxes in Wisconsin.