



For Immediate Release: August 30, 2017

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Dark Store Legislation Would Restore Property Tax Fairness in Wisconsin

What would you think if the value of your property was determined by comparing your home to a blighted, abandoned house on the other side of town? Certainly, the two houses are not the same. The family that takes the time to maintain their home and property would not want to sell their home for the same price as an abandoned and blighted property in another part of town.

Commercial retailers and corporations have developed a similar property tax scheme called the “Dark Store Theory” to lower the value of their commercial property and shift their property tax burden onto local homeowners.

The Dark Store Theory is currently being deployed by corporations throughout Wisconsin. Some corporations believe that the new Super Center they just built has the same property value as an old, abandoned store that they have left behind. Throughout Wisconsin, big box chains and other commercial property owners are challenging their property taxes by arguing that the value of their new property is the same as an abandoned, or “dark” property in a different location. Often, the “dark” property being used as an example is property that the corporation just abandoned to move to a new location.

What the corporations are doing is rigging the system against everyday people and homeowners. They believe that their property should be compared to the empty and blighted store they have abandoned, not the actual value of the new store that was recently built and opened.

Make no mistake, by shifting their property tax burden, the commercial property owners are sticking it to local homeowners. It seems that the only people who believe that the Dark Store tax scheme is fair are the lawyers who developed the scheme, the lobbyists who are defending the scheme and the corporations who are making both rich.

The Senate Committee on Revenue, Financial Institutions and Rural Affairs heard testimony on Wednesday regarding two bi-partisan bills that I have co-authored to address this growing problem in Wisconsin.

Senate Bill 291 would allow assessors to consider any applicable lease provisions and the actual rent pertaining to a property in determining the assessed value of that property.

Senate Bill 292 simply states that vacant or “dark property” cannot be used as a comparison when determining the value of a fully operational and occupied property.

These two bills are designed to restore fairness to local property assessments and to stop shifting the property tax burden from commercial retailers to homeowners. Hopefully, these bi-partisan bills will become law before the legislative session ends next spring.

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