RESOLUTION OF SUPPORT FOR

HOUSE BILL 5578 - DARK STORE BILL

Because, Big Box Stores are taking advantage of loopholes in the taxable value appraisal process, by having their stores compared to closed, vacant properties for the purposes of establishing their value, known as the “Dark Store Tax Loophole”; and

Because, this loophole has cost more than $75 million in local taxes that cities, counties, townships and school districts would have otherwise been used to provide essential government services and public education, according to the Michigan Association of County Treasurers; and

Because, the City Commission for the City of Traverse City recognizes that, in addition to blowing holes in Michigan local government and local school district budgets, the “Dark Store assessments” are creating tax advantages for big retailers over other businesses; and

Because, a study of property taxes in Oakland County shows Big Box stores are paying much less than smaller competitors, with the big box retail rate in Oakland County essentially being half the average retail rate; and

Because, leveraging common sense and fairness, the property value of a store that is open for business should not be influenced by a store that is closed for business and is vacant;

Because, the City of Traverse City, and every municipality in the State of Michigan relies heavily on property tax revenue to fund local government services and;

Because, it is vital that the loophole that exists for big box stores or dark stores, be closed to ensure equitable taxes for all uses; now, therefore, be it

RESOLVED, that the City Commission of the City of Traverse City supports House Bill 5578 in its efforts to work towards applying universally accepted appraisal standards when deciding larger property tax appeal cases; and that the City Clerk submit this resolution on behalf of the City Commission to the Governor of Michigan and the appropriate parties in the Michigan legislature.
I hereby certify that the above Resolution was adopted by the Traverse City City Commission at its regular meeting of May 2, 2016, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Benjamin C. Marentette, MMC
City Clerk