



AGGREGATE  
PRODUCERS  
of WISCONSIN



Producers of Crushed Stone, Sand and Gravel

To: Members – Legislative Council Study Committee on Property Tax Assessment Practices

From: Aggregate Producers of Wisconsin  
Wisconsin Industrial Sand Association

Date: October 8, 2018

Re: “Dark Store” legislation may harm Wisconsin’s non-metallic mining industry

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The non-metallic mining industry has been monitoring proposed legislation, along with its associated study committee materials, that would change property tax assessment practices in Wisconsin. This so called “dark store” legislation would allow assessors to raise the property assessments imposed on businesses by assuming property is being used for its highest valued use, regardless of how property is actually being utilized. This “tax to the max” approach has been rejected by the Supreme Court as well as many other states that have considered similar legislation. It is simply bad policy and should not be advanced in Wisconsin.

To the extent this poor policy is pursued, we are concerned that the legislation will have unintended and profound consequences for many businesses across Wisconsin – including the state’s non-metallic mining industry.

Aggregate Producers of Wisconsin members produce the crushed stone, sand and gravel that is used to (among other things) pave roads and build the homes and commercial developments you see every day. Wisconsin Industrial Sand Association members produce the sand used in glass making, metal casting, metal production, chemical production, construction, paint and coatings, ceramics and refractories, filtration and water production, oil and gas recovery and recreational products. The “dark store” legislation would significantly change our members’ tax assessments which will have a substantial negative impact on our operations, increase our costs of operation and render our Wisconsin businesses less competitive.

We are concerned that the “highest and best use” language in the proposed legislation will lead to a significant (and unjustified) increase in our property taxes. This language suggests that property owned by an APW or WISA member that is not currently used for mining can nonetheless be assessed at a value that reflects the potential use of the property for mining. For example, vacant land could be assessed at a much higher value that assumes it is being mined.

Non-metallic mining companies own / lease thousands of acres of property for potential future needs, including simply serving as a buffer to separate mining operations from neighboring properties. That land may be used for farming, timber harvest, etc. pursuant to a lease agreement. However, under language being discussed to address the “dark store” issue, an assessor could determine that the “highest and best use” of that land is actually mining – and

assess its value as such. This could double or triple the property tax assessments of aggregate pits, quarries and sand mines across the state.

The potential doubling or tripling of property tax assessments would harm our ability to acquire new lands and lease agreements for future mining, as the tax implications would be too great for some landowners. That, in turn, will put a severe strain on the amount of raw materials available for future use and have a trickle-down negative impact on future development projects. Ultimately this will add significant costs to road construction projects and other local development.

We hope you will consider the unintended consequences and potential negative impact this legislation could have on our industry while considering any changes to the “dark store” or “triple-net lease” issues.

If you have any questions, please do not hesitate to contact our lobbyists at:

**Wisconsin Industrial Sand Association**

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