



2003 ASSEMBLY BILL 404

June 12, 2003 - Introduced by Representatives HAHN, BIES and TOWNSEND.
Referred to Committee on Ways and Means.

1 **AN ACT to amend** 66.0615 (1) (a), 66.0615 (1) (f), 66.0615 (1) (h), 66.0615 (1m)
2 (a), 66.0615 (1m) (b), 66.0615 (1m) (c) 1., 66.0615 (1m) (c) 2. a., 66.0615 (1m) (c)
3 3., 66.0615 (1m) (c) 5., 66.0615 (1m) (d) 1., 66.0615 (1m) (d) 3., 66.0615 (1m) (d)
4 4., 66.0615 (2) (intro.), 66.0615 (2) (a), 66.0615 (2) (c), 66.0615 (2) (d) and
5 66.0615 (3) of the statutes; **relating to:** authorizing counties to impose a room
6 tax.

Analysis by the Legislative Reference Bureau

Under current law a city, village, or town (municipality) and a local exposition district may impose a room tax. The room tax is on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, and other persons who furnish accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations.

Generally, the maximum room tax that a municipality may impose is 8%. A single municipality that imposes a room tax may create a commission, which is defined as an entity to coordinate tourism promotion and development. If two or more municipalities in a zone impose a room tax, they must create a commission. Current law defines a zone as an area made up of two or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public. Current law requires a commission to contract with an organization to provide staff, development, or promotional services for the tourism industry in a

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municipality if a tourism entity does not exist in that municipality. A tourism entity is defined as a nonprofit organization that existed before January 1, 1992, that provides staff, development, or promotional services for the tourism industry in a municipality.

A municipality that first imposes a room tax after May 13, 1994, must spend at least 70% of the amount collected on tourism promotion and development, which may be spent directly by the municipality or forwarded to the commission for its municipality or zone.

This bill authorizes a county to impose a room tax, subject to the same 8% maximum tax that a municipality may impose. At least 70% of the amount collected under a county's room tax must be spent on tourism promotion and development. Under the bill, a county may create a commission and participate in a zone to the same extent as municipalities may do so under current law.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.0615 (1) (a) of the statutes is amended to read:

2 66.0615 (1) (a) “Commission” means an entity created by one municipality or
3 county, or by any combination of 2 or more municipalities or counties in a zone, to
4 coordinate tourism promotion and development for the zone.

5 **SECTION 2.** 66.0615 (1) (f) of the statutes is amended to read:

6 66.0615 (1) (f) “Tourism entity” means a nonprofit organization that came into
7 existence before January 1, 1992, and provides staff, development or promotional
8 services for the tourism industry in a municipality or county.

9 **SECTION 3.** 66.0615 (1) (h) of the statutes is amended to read:

10 66.0615 (1) (h) “Zone” means an area made up of any combination of 2 or more
11 municipalities or counties that, those municipalities or counties agree, is a single
12 destination as perceived by the traveling public.

13 **SECTION 4.** 66.0615 (1m) (a) of the statutes is amended to read:

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1 66.0615 (1m) (a) The governing body of a municipality or county may each
2 enact an ordinance, and a district, under par. (e), may adopt a resolution, imposing
3 a tax on the privilege of furnishing, at retail, except sales for resale, rooms or lodging
4 to transients by hotelkeepers, motel operators and other persons furnishing
5 accommodations that are available to the public, irrespective of whether
6 membership is required for use of the accommodations. A tax imposed under this
7 paragraph is not subject to the selective sales tax imposed by s. 77.52 (2) (a) 1. and
8 may not be imposed on sales to the federal government and persons listed under s.
9 77.54 (9a). A tax imposed under this paragraph by a municipality or county shall be
10 paid to the municipality or county and may be forwarded to a commission if one is
11 created under par. (c), as provided in par. (d). Except as provided in par. (am), a tax
12 imposed under this paragraph by a municipality or county may not exceed 8%.
13 Except as provided in par. (am), if a tax greater than 8% under this paragraph is in
14 effect on May 13, 1994, the municipality imposing the tax shall reduce the tax to 8%,
15 effective on June 1, 1994.

16 **SECTION 5.** 66.0615 (1m) (b) of the statutes is amended to read:

17 66.0615 (1m) (b) 1. If a single municipality or county imposes a room tax under
18 par. (a), the municipality or county may create a commission under par. (c). The
19 commission shall contract with another organization to perform the functions of a
20 tourism entity if no tourism entity exists in that municipality or county.

21 2. If any combination of 2 or more municipalities or counties in a zone impose
22 a room tax under par. (a), the municipalities or counties shall enter into a contract
23 under s. 66.0301 to create a commission under par. (c). If no tourism entity exists in
24 any of the municipalities or counties in the zone that have formed a commission, the
25 commission shall contract with another organization in the zone to perform the

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1 functions of the tourism entity. Each municipality and county in a single zone that
2 imposes a room tax shall levy the same percentage of tax. If the municipalities and
3 counties are unable to agree on the percentage of tax for the zone, the commission
4 shall set the percentage.

5 3. A commission shall monitor the collection of room taxes from each
6 municipality and county in a zone that has a room tax.

7 4. A commission shall contract with one tourism entity, or other organization
8 if no such entity exists, from the municipalities and counties in the zone to obtain
9 staff, support services, and assistance in developing and implementing programs to
10 promote the zone to visitors.

11 **SECTION 6.** 66.0615 (1m) (c) 1. of the statutes is amended to read:

12 66.0615 (1m) (c) 1. If a commission is created by a single municipality or county,
13 the commission shall consist of 4 to 6 members. One of the commission members
14 shall represent the Wisconsin hotel and motel industry. Members shall be appointed
15 under subd. 3.

16 **SECTION 7.** 66.0615 (1m) (c) 2. a. of the statutes is amended to read:

17 66.0615 (1m) (c) 2. a. If the commission is created by any combination of more
18 than one municipality or county in a zone, the commission shall consist of 3 members
19 from each municipality and county in which annual tax collections exceed
20 \$1,000,000, 2 members from each municipality and county in which annual tax
21 collections exceed \$300,000 but are not more than \$1,000,000 and one member from
22 each municipality and county in which annual tax collections are \$300,000 or less.
23 Except as provided in subd. 2. b., members shall be appointed under subd. 3.

24 **SECTION 8.** 66.0615 (1m) (c) 3. of the statutes is amended to read:

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1 66.0615 (1m) (c) 3. Members of the commission shall be appointed by the
2 principal elected official in the each municipality or county and shall be confirmed
3 by a majority vote of the members of the municipality's or county's governing body
4 who are present when the vote is taken. Commissioners shall serve for a one-year
5 term, at the pleasure of the appointing official, and may be reappointed.

6 **SECTION 9.** 66.0615 (1m) (c) 5. of the statutes is amended to read:

7 66.0615 (1m) (c) 5. The commission shall report any delinquencies or
8 inaccurate reporting to the each municipality and county that is due the tax.

9 **SECTION 10.** 66.0615 (1m) (d) 1. of the statutes is amended to read:

10 66.0615 (1m) (d) 1. A municipality or county that first imposes a room tax
11 under par. (a) after May 13, 1994, shall spend at least 70% of the amount collected
12 on tourism promotion and development. Any amount of room tax collected that must
13 be spent on tourism promotion and development shall either be spent directly by the
14 municipality or county on tourism promotion and development or shall be forwarded
15 to the commission for its municipality or county, or zone if the municipality or county
16 has created a commission.

17 **SECTION 11.** 66.0615 (1m) (d) 3. of the statutes is amended to read:

18 66.0615 (1m) (d) 3. A commission shall use the room tax revenue that it
19 receives from ~~a~~ each municipality and county to promote and develop tourism,
20 including the support of a convention center, in the zone or in the municipality and
21 county.

22 **SECTION 12.** 66.0615 (1m) (d) 4. of the statutes is amended to read:

23 66.0615 (1m) (d) 4. The commission shall report annually to each municipality
24 and county from which it receives room tax revenue the purposes for which the
25 revenues were spent.

ASSEMBLY BILL 404**SECTION 13**

1 **SECTION 13.** 66.0615 (2) (intro.) of the statutes is amended to read:

2 66.0615 (2) (intro.) As a means of enforcing the collection of any room tax
3 imposed by a municipality, a county, or a district under sub. (1m), the municipality,
4 county, or district may exchange audit and other information with the department
5 of revenue and may do any of the following:

6 **SECTION 14.** 66.0615 (2) (a) of the statutes is amended to read:

7 66.0615 (2) (a) If a municipality, county, or district has probable cause to believe
8 that the correct amount of room tax has not been assessed or that the tax return is
9 not correct, inspect and audit the financial records of any person subject to sub. (1m)
10 pertaining to the furnishing of accommodations to determine whether the correct
11 amount of room tax is assessed and whether any room tax return is correct.

12 **SECTION 15.** 66.0615 (2) (c) of the statutes is amended to read:

13 66.0615 (2) (c) Determine the tax under sub. (1m) according to its best
14 judgment if a person required to make a return fails, neglects or refuses to do so for
15 the amount, in the manner and form and within the time prescribed by the
16 municipality, county, or district.

17 **SECTION 16.** 66.0615 (2) (d) of the statutes is amended to read:

18 66.0615 (2) (d) Require each person who is subject to par. (c) to pay an amount
19 of taxes that the municipality, county, or district determines to be due under par. (c)
20 plus interest at the rate of 1% per month on the unpaid balance. No refund or
21 modification of the payment determined may be granted until the person files a
22 correct room tax return and permits the municipality, county, or district to inspect
23 and audit his or her financial records under par. (a).

24 **SECTION 17.** 66.0615 (3) of the statutes is amended to read:

