AN ACT to renumber and amend 66.75 (1); to amend 66.75 (2) and (3); and to create 66.75 (1m) (am) to (d) of the statutes, relating to: changing the law that authorizes cities, villages and towns to impose a room tax and imposing a cap on the room tax that certain cities, villages and towns may impose.

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

SECTION 1. 66.75 (1) of the statutes is renumbered 66.75 (1m) (a) and amended to read:

66.75 (1m) (a) The governing body of a town, village or city municipality may enact an ordinance imposing a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. In this subsection “hotel”, “motel” and “transient” have the meaning set forth in s. 77.52 (2) (a) 1. Any tax so imposed shall under this paragraph is not subject to the selective sales tax imposed by s. 77.52 (2) (a) 1. Any tax imposed under this paragraph shall be paid to the municipality and may be forwarded to a commission if one is created under par. (c), as provided in par. (d). Except as provided in par. (am), any tax imposed under this paragraph may not exceed 8%. Except as provided in par. (am), if a tax greater than 8% under this paragraph is in effect on the effective date of this paragraph .... [revisor inserts date], the municipality imposing the tax shall reduce the tax to 8%, effective on June 1, 1994.

SECTION 2. 66.75 (1) and (1m) (am) to (d) of the statutes are created to read:

66.75 (1) In this section:

(a) “Commission” means an entity created by one municipality or by 2 or more municipalities in a zone, to coordinate tourism promotion and development for the zone.

(b) “Hotel” has the meaning given in s. 77.52 (2) (a) 1.

(c) “Motel” has the meaning given in s. 77.52 (2) (a) 1.

(d) “Municipality” means any city, village or town.

(e) “Tourism” means travel for recreational, business or educational purposes.

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

(g) “Transient” has the meaning given in s. 77.52 (2) (a) 1.

(h) “Zone” means an area made up of 2 or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public.

(1m) (am) A municipality that imposes a room tax under par. (a) is not subject to the limit on the maximum amount of tax that may be imposed under that paragraph if any of the following apply:

1. The municipality is located in a county with a population of at least 380,000 and a convention center is being constructed or renovated within that county.

2. The municipality intends to use at least 60% of the revenue collected from its room tax, of any room tax that is greater than 7%, to fund all or part of the construction or renovation of a convention center that is located in a county with a population of at least 380,000.
3. The municipality is located in a county with a population of less than 380,000 and that county is not adjacent to a county with a population of at least 380,000, and the municipality is constructing a convention center or making improvements to an existing convention center.

4. The municipality has any long-term debt outstanding with which it financed any part of the construction or renovation of a convention center.

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

2. If 2 or more municipalities in a zone impose a room tax under par. (a), the municipalities shall enter into a contract under s. 66.30 to create a commission under par. (c). If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity. Each municipality in a single zone that imposes a room tax shall levy the same percentage of tax. If the municipalities are unable to agree on the percentage of tax for the zone, the commission shall set the percentage.

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

4. A commission shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.

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

2. a. If the commission is created by more than one municipality in a zone, the commission shall consist of 3 members from each municipality in which annual tax collections exceed $1,000,000, 2 members from each municipality in which annual tax collections exceed $300,000 but are not more than $1,000,000 and one member from each municipality in which annual tax collections are $300,000 or less. Except as provided in subd. 2. b., members shall be appointed under subd. 3.

b. Two additional members, who represent the Wisconsin hotel and motel industry, shall be appointed to the commission by the chairperson of the commission, shall serve for a one–year term at the pleasure of the chairperson and may be reappointed.

3. Members of the commission shall be appointed by the principal elected official in the municipality and shall be confirmed by a majority vote of the members of the municipality’s governing body who are present when the vote is taken. Commissioners shall serve for a one–year term, at the pleasure of the appointing official, and may be reappointed.

4. The commission shall meet regularly, and, from among its members, it shall elect a chairperson, vice chairperson and secretary.

5. The commission shall report any delinquencies or inaccurate reporting to the municipality that is due the tax.

(d) 1. A municipality that first imposes a room tax under par. (a) after the effective date of this subdivision .... [revisor inserts date], shall spend at least 70% of the amount collected on tourism promotion and development. Any amount of room tax collected that must be spent on tourism promotion and development shall either be spent directly by the municipality on tourism promotion and development or shall be forwarded to the commission for its municipality or zone if the municipality has created a commission.

2. If a municipality collects a room tax on the effective date of this subdivision .... [revisor inserts date], it may retain not more than the same percentage of the room tax that it retains on the effective date of this subdivision .... [revisor inserts date]. If a municipality that collects a room tax on May 1, 1994, increases its room tax after May 1, 1994, the municipality may retain not more than the same percentage of the room tax that it retains on May 1, 1994, except that if the municipality is not exempt under par. (am) from the maximum tax that may be imposed under par. (a), the municipality shall spend at least 70% of the increased amount of room tax that it begins collecting after May 1, 1994, on tourism promotion and development. Any amount of room tax collected that must be spent on tourism promotion and development shall either be spent directly by the municipality on tourism promotion and development or shall be forwarded to the commission for its municipality or zone if the municipality has created a commission.

3. A commission shall use the room tax revenue that it receives from a municipality to promote and develop tourism, including the support of a convention center, in the zone or in the municipality.

4. The commission shall report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent.

5. The commission may not use any of the room tax revenue to construct or develop a lodging facility.

SECTION 3. 66.75 (2) and (3) of the statutes are amended to read:

66.75 (2) As a means of enforcing the collection of any room tax imposed under sub. (4), (1m), the town, village or city may do any of the following:

(a) Whenever the town, village or city municipality has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not
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correct, inspect and audit the financial records of any person subject to sub. (1m) pertaining to the furnishing of accommodations to determine whether or not the correct amount of room tax is assessed and whether or not any room tax return is correct.

(b) Enact a schedule of forfeitures, not to exceed 5% of the tax under sub. (1m) or par. (c), to be imposed on any person subject to sub. (1m) who fails to comply with a request to inspect and audit the person’s financial records under par. (a).

(c) Determine the tax under sub. (1m) according to its best judgment if any person required to make a return fails, neglects or refuses to do so for the amount, in the manner and form and within the time prescribed by the town, village or city municipality.

(d) Require each person who is subject to par. (c) to pay an amount of taxes that the town, village or city municipality determines to be due under par. (c) plus interest at the rate of one percent per month on the unpaid balance. No refund or modification of the payment determined may be granted until the person files a correct room tax return and permits the town, village or city municipality to inspect and audit his or her financial records under par. (a).

(e) Enact a schedule of forfeitures, not to exceed 25% of the room tax due for the previous year under sub. (1m) or par. (c) or $5,000, whichever is less, to be imposed for failure to pay the tax under sub. (1m).

(3) The town, village or city municipality shall provide by ordinance for the confidentiality of information obtained under sub. (2) but shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The town, city or village municipality may provide for the publishing of statistics classified so as not to disclose the identity of particular returns. The town, village or city municipality shall provide that persons violating ordinances enacted under this subsection may be required to forfeit not less than $100 nor more than $500.