

2005 DRAFTING REQUEST

Assembly Amendment (AA-AB298)

Received: 07/25/2005

Received By: mshovers

Wanted: As time permits

Identical to LRB:

For: Mark Pettis (608) 267-2365

By/Representing: Kathy Kilgore

This file may be shown to any legislator: NO

Drafter: mshovers

May Contact:

Addl. Drafters:

Subject: Local Gov't - room tax

Extra Copies:

Submit via email: YES

Requester's email: Rep.Pettis@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Local room tax

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	mshovers 08/01/2005	lkunkel 08/03/2005	jfrantze 08/03/2005	_____	Inorthro 08/03/2005	Inorthro 08/03/2005	
/2	mshovers 08/05/2005	lkunkel 08/05/2005	jfrantze 08/05/2005	_____	Inorthro 08/05/2005	Inorthro 08/05/2005	

FE Sent For:

<END>

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FE Sent For:

12 MES 8/5/05
12/mk 8/5 to Bell
8/5 ~~5~~ END>

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/? mshovers

/1/mk 8/1

Jb 8/3

JRs 8/3

11 MES 8/1/05

FE Sent For:

<END>

July 19, 2005

AB 298: Room Tax Law Clarification -Amendment-

Definition Revision

"Tourism promotion and development" means a marketing project; **including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, and / or efforts to recruit conventions, sporting events, or motorcoach groups**; transient tourist informational service; or tangible municipal development that is significantly used by transient tourists that will do one of the following:

1. Generate paid overnight stays at more than one establishment on which a tax under sub. (1m) (a) may be imposed, that are owned by different persons, within a municipality in which a tax under this section is in effect; **or in one such establishment if the municipality has only one such establishment.**
- ~~2. Generate paid overnight stays at one establishment on which a tax under sub. (1m) (a) may be imposed, within a municipality in which a tax under this section is in effect, if the municipality has only one such establishment.~~

Reporting/Accountability

66.0615(1m) (d) 4. The commission shall report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent. **In the absence of a tourism commission, the municipality will prepare a like annual public report on the expenditures of the portion of room tax revenues required to be spent on tourism promotion and development. Reports must be filed with the Department of Tourism within six months of each fiscal year-end.**

Penalties

Remove the references to the penalties in the bill. Instead, state penalties will be determined through the rules process. ?

*eff date issues -
delegation*

*emergencies rules now
6 mos. for permanent rules?*

Shovers, Marc

From: Kathi Kilgore [Kilgore@swandby.com]
Sent: Wednesday, July 20, 2005 1:55 PM
To: Shovers, Marc
Subject: Amendment for AB 298

286-9599

Marc,

As you will recall, the Wisconsin Innkeepers Association and Wisconsin Association of Convention and Visitors Bureaus have been working with Rep. Pettis on AB 298, legislation to clarify the existing room tax law.

After the hearing this Spring and many, many more meetings with interested/concerned parties, we have come up with some changes in the bill and Rep. Pettis would like an amendment drafted.

I have attached the provisions that are needed for the amendment:

- Changes to the definition to clarify what the funds could be used for.
- Adding a provision to extend local reporting requirements.
- Eliminating the specifics about the penalties and leaving it up to the administrative rule process.

I will give you a call later today (Wednesday) or on Thursday to see if you have any questions and to see how long you think it would take to draft the amendment. (Rep. Pettis would like to exec the bill out of Committee in August sometime.)

In the meantime, if you have any questions or concerns, please give me a call at 608.286.9599 or email me.

Thank you very much!

Kathi Kilgore
Lobbyist
Wisconsin Innkeepers Association

Coenen/Swandby Associates
608.286.9599 phone
608.286.0766 fax
kilgore@swandby.com

Trisha Pugal
262-993-2851
→ office 262-782-2851



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa0863/?
MES.lmk...

fm

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT,
TO 2005 ASSEMBLY BILL 298

D-NOTE

WANTED,
Wed. ^{early} P.m.

INS
1-1

INS
1-2

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 3, line 11: delete lines 11 to 19 and substitute:

3 "66.0615 (1) (fm) ~~“Tourism promotion and development” means a marketing~~

4 ~~project, including advertising media buys, creation and distribution of printed or~~

5 ~~electronic promotional tourist materials, or efforts to recruit conventions, sporting~~

6 ~~events, or motorcoach groups; transient tourist informational service; or tangible~~

7 ~~municipal development, that is significantly used by transient tourists. Tourism~~

8 ~~promotion and development shall be designed to generate paid overnight stays at~~

9 ~~more than one establishment on which a tax under sub. (1m) (a) may be imposed, that~~

10 ~~are owned by different persons, within a municipality in which a tax under this~~

11 ~~section is in effect or, if the municipality has only one such establishment, designed~~

12 ~~to generate paid overnight stays in that establishment.”.~~

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2. Page 4, line 6: delete lines 6 and 7 and substitute:

move

NOFF

“spent, and shall forward a copy of the report to the department of tourism. If a commission does not exist in the municipality, the municipality shall annually prepare a report, and file it with the department of tourism not later than June 30, that describes the purposes for which its room tax revenues spent for tourism promotion and development are expended.”. ✓

3. Page 4, line 9: delete the material beginning with “Annually” and ending with “The” on page 4, line 15.

4. Page 4, line 9: delete the material beginning with “Annually” and ending with “The” on page 9, line 15 and substitute: “Based on the information contained in the reports described under sub. (1m) (d) 4., the”

5. Page 5, line 3: delete “surcharge under par.”. ✓

6. Page 5, line 4: delete that line and substitute: *penalty* as specified by the department of revenue in rules promulgated by the department. To the greatest extent possible, the *penalty* shall be paid by the municipality from its share of room tax revenues that are not spent on tourism promotion and development. The municipality shall transmit any payment of imposed penalties to the department of tourism for deposit into the appropriation account under s. *20380(1)(e)* *20380(1)(b)*.”. ✓

7. Page 5, line 5: delete lines 5 to 13. ✓

8. Page 5, line 14: before that line insert:

SECTION 6m. Nonstatutory provisions.

(1) The department of revenue shall submit in proposed form the rules required under section 66.0615 (4) (c) 2. of the statutes, as created by this act, to the

1

legislative council staff under section 2217.15 (1) of the statutes no later than the first
day of the 10th month beginning after the effective date of this subsection.”

2

3

(END)

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBa0863/lins
MES.....

INSERT 1-1
Page 1, line 30 after ^{law}law ^{making an}insert and making an appropriation ^{to}to

1. Page 2, line 1: delete the material beginning with that line and ending with page 3, line 9 and substitute:

"SECTION 1m. 20.380 (1) (je) of the statutes is created to read:

20.380 (1) (je) *Room tax surcharge, tourism promotion.* All moneys received from the surcharge under s. 66.0615 (4) (d) for the execution of the functions under s. 41.17.

SECTION 1s. 41.17 (5) of the statutes ^{as affected by Wisconsin Act 25}is amended to read:

41.17 (5) FUNDING SOURCE. Subject to the ^{50 percent}50% limitation under s. 20.380 (1) (b) and the proportional expenditure requirements under s. 20.380 (1) (b) and (kg), the department shall expend, from the appropriations under s. 20.380 (1) (b), (je), and (kg), ^{and (v) (w)}at least \$1,130,000 in the aggregate in each fiscal year in joint effort marketing funds under this section. ^{LPS: Pls fix direction and size of period}

History: 1975 c. 39, 163, 200; 1991 a. 39; 1995 a. 27 s. 6922; Stats. 1995 s. 41.17; 1999 a. 9.

INSERT 1-2

"Tourism promotion and development" means any of the following that is significantly used by transient tourists and that generates paid overnight stays at more than one establishment on which a tax under sub. (1m) (a) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect, or, if the municipality has only one such establishment, generates paid overnight stays in that establishment:

1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups.

2. Transient tourist informational services. ✓

3. Tangible municipal development. ✓



**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBa0863/1dn
MES:lmk:jf

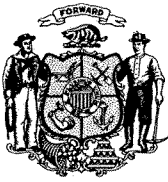
August 3, 2005

Representative Pettis:

This amendment is based on instructions I received from Kathy Kilgore of the Wisconsin Innkeepers Association (WIA) and conversations I had with Trisha Pugal of the WIA. Under the amendment, no penalties could be imposed for about 10 months after the bill takes effect to allow the department of revenue time to promulgate rules. Please let me know if you have any questions or if you'd like any changes made to the amendment.

The appropriation in the original bill did not work, so I fixed the problem in this amendment. I also had to significantly rework the definition of "tourism promotion and development" that was submitted to me by the WIA, but I think it remains true to their intent.

Marc E. Shovers
Senior Legislative Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.state.wi.us



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBa0863/1
MES:lmk:jf

Keep
RMR

ASSEMBLY AMENDMENT ,
TO 2005 ASSEMBLY BILL 298

WANTED
NOON
today

1 At the locations indicated, amend the bill as follows:

2 1. Page 1, line 3: after "law" insert "and making an appropriation".

3 2. Page 2, line 1: delete the material beginning with that line and ending with
4 page 3, line 9 and substitute:

5 "SECTION 1m. 20.380 (1) (je) of the statutes is created to read:

6 20.380 (1) (je) *Room tax surcharge, tourism promotion.* All moneys received
7 from the surcharge under s. 66.0615 (4) ^(c) ~~(g)~~ for the execution of the functions under
8 s. 41.17.

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10 amended to read:

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12 20.380 (1) (b) and the proportional expenditure requirements under s. 20.380 (1) (b)
13 and (kg), the department shall expend, from the appropriations under s. 20.380 (1)

1 (b), ~~(je)~~, (kg), and ~~(v)~~ (w), at least \$1,130,000 in the aggregate in each fiscal year in
2 joint effort marketing funds under this section.”.

3 **3.** Page 3, line 11: delete lines 11 to 19 and substitute:

4 “66.0615 (1) (fm) “Tourism promotion and development” means any of the
5 following that is significantly used by transient tourists and that generates paid
6 overnight stays at more than one establishment on which a tax under sub. (1m) (a)
7 may be imposed, that are owned by different persons and located within a
8 municipality in which a tax under this section is in effect, or, if the municipality has
9 only one such establishment, generates paid overnight stays in that establishment:

10 1. Marketing projects, including advertising media buys, creation and
11 distribution of printed or electronic promotional tourist materials, or efforts to
12 recruit conventions, sporting events, or motorcoach groups.

13 2. Transient tourist informational services.

14 3. Tangible municipal development.”.

15 **4.** Page 4, line 6: delete lines 6 and 7 and substitute “spent, and shall forward
16 a copy of the report to the department of tourism. If a commission does not exist in
17 the municipality, the municipality shall annually prepare a report, and file it with
18 the department of tourism not later than June 30, that describes the purposes for
19 which its room tax revenues spent for tourism promotion and development are
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24 **6.** Page 5, line 3: delete “surcharge under par.”.

