

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 298**

October 26, 2005 – Offered by JOINT COMMITTEE ON FINANCE.

1 **AN ACT** *to amend* 66.0615 (1m) (d) 3.; and *to create* 66.0615 (1) (fm) and 66.0615
2 (1m) (d) 6. of the statutes; **relating to:** tourism promotion and development
3 under room tax law.

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 a tax 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 percent. 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 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, and provides staff, development, or promotional services for the tourism industry in a

municipality. Currently, a commission must report annually to each municipality from which it receives room tax revenues the purposes for which the revenues were spent.

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

This substitute amendment creates a definition of tourism promotion and development. The definition describes tourism promotion and development that is extremely likely to generate overnight stays at a hotel, motel, or other lodging establishment on which a room tax may be imposed, and includes marketing projects, transient tourist informational services, and tangible municipal development, such as a convention center.

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

1 **SECTION 1.** 66.0615 (1) (fm) of the statutes is created to read:

2 66.0615 **(1)** (fm) “Tourism promotion and development” means any of the
3 following that are significantly used by transient tourists and extremely likely to
4 generate paid overnight stays at more than one establishment on which a tax under
5 sub. (1m) (a) may be imposed, that are owned by different persons and located within
6 a municipality in which a tax under this section is in effect, or, if the municipality has
7 only one such establishment, generates paid overnight stays in that establishment:

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

11 2. Transient tourist informational services.

12 3. Tangible municipal development, including a convention center.

13 **SECTION 2.** 66.0615 (1m) (d) 3. of the statutes is amended to read:

14 66.0615 **(1m)** (d) 3. A commission shall use the room tax revenue that it
15 receives from a municipality to ~~promote and develop~~ for tourism, including the

