

**2005 DRAFTING REQUEST**

**Assembly Substitute Amendment (ASA-AB298)**

Received: **10/14/2005**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Mark Pettis (608) 267-2365**

By/Representing: **Kimber**

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

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**Topic:**

Municipal room tax

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**Instructions:**

See Attached. Changes to municipal room tax. Combine AB 298 (-1391/4), and AA 1 (a0863) and AA 1 to AA 1 (a0933), and the attached changes, into a new sub.

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**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>
/?	mshovers 10/14/2005	wjackson 10/15/2005		_____			
/1			chaugen 10/17/2005	_____	sbasford 10/17/2005	sbasford 10/17/2005	
/2	mshovers 10/17/2005	wjackson 10/17/2005	jfrantze 10/17/2005	_____	mbarman 10/17/2005	mbarman 10/17/2005	

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/3	mshovers 10/17/2005	wjackson 10/17/2005	chaugen 10/17/2005	_____	lnorthro 10/17/2005	lnorthro 10/17/2005	

FE Sent For:

<END>

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By/Representing: Kimber

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/1			chaugen 10/17/2005	_____	sbasford 10/17/2005	sbasford 10/17/2005	
/2	mshovers 10/17/2005	wjackson 10/17/2005	jfrantze 10/17/2005	_____	mbarman 10/17/2005	mbarman 10/17/2005	

13 MES 10/17/05  
13 NY 10/17  
ch 10-17  
RS 10-17

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/?	mshovers 10/14/2005	wjackson 10/15/2005		_____			
/1		1/2 WJ 10/17	chaugen 10/17/2005	_____	sbasford 10/17/2005	sbasford 10/17/2005	

FE Sent For:

*[Handwritten signature]*  
10/17/05  
**<END>**

*1/2 MES 10/17/05*

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/?	mshovers	1 wj 10/15	Ch 10/17	Ch 10/17 RS			

FE Sent For:

<END>

Shovers, Marc

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**From:** Liedl, Kimberly  
**Sent:** Thursday, October 13, 2005 3:01 PM  
**To:** Shovers, Marc  
**Subject:** Sub amendment for AB 298, room tax bill

**Importance:** High

**Attachments:** AB 298 Sub Proposal.doc

Hi, Marc, sorry to send you yet another amendment request, but we need this sub amendment drafted to the AB 298 package of stuff that was passed by the Assembly Tourism Committee. The language is attached below. The Joint Finance Committee is going to hear this bill on Wednesday. It would be great to get this amendment sometime Friday or early Monday morning if possible so that the committee has time to look at it.

If you have any questions, please feel free to call me.

Thanks,

Kimber

Office of Rep. Mark Pettis



AB 298 Sub  
proposal.doc (31 KB).

**AB 298 Room Tax**  
***Proposed Language for Substitute Amendment***

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

“Tourism promotion and development” means any of the following that is significantly used by transient tourists and is extremely likely to 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 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 tourism informational services.
3. Tangible municipal development, including a convention center.

66.0615 (1m) (d) 3. Of the statutes is amended to read:

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

66.0615 (1m) (d) 6 of the statutes is created to read:

If a municipality issued debt before January 1, 2005, to finance the construction of a municipally owned convention center, nothing in this section may prevent the municipality from meeting all of the original terms of its obligation.



50258/1

WANTED  
MON. 9AM.

ASA \_\_\_\_\_  
to

RANK

# 2005 ASSEMBLY BILL 298

April 7, 2005 - Introduced by Representatives PETTIS, KESTELL, BALLWEG, BOYLE, GRONEMUS, GUNDERSON, HINES, KRAWCZYK, KREIBICH, LEHMAN, LEMAHIEU, LOTHIAN, MOULTON, MUSSER, NASS, NERISON, PETROWSKI, PRIDEMORE, SHILLING, VAN ROY, VOS, M. WILLIAMS, SUDER and RHOADES, cosponsored by Senators DARLING, ZIEN, BRESKE, KANAVAS and STEPP. Referred to Committee on Tourism.

regen

1 AN ACT to amend 20.380 (1) (b), 66.0615 (1m) (d) 3. and 66.0615 (1m) (d) 4.; and  
2 to create 66.0615 (1) (fm) and 66.0615 (4) of the statutes; relating to: tourism  
3 promotion and development under room tax law.

and making an appropriation

### 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 annually to each municipality from which it*

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;

NOFF

receives revenues the purposes for which the revenues were spent

ASSEMBLY BILL 298

and includes marketing projects, transient tourist informational services, and tangible municipal development, such as a convention center

the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone.

This bill creates a definition of tourism promotion and development, and requires a municipality to file a form, which details the municipality's or commission's expenditures for tourism promotion and development, annually with the Department of Tourism (department). The definition created in the bill deals with tourism promotion and development that generates overnight stays at a hotel, motel, or other lodging establishment on which a room tax may be imposed. If the department determines that a municipality's or commission's expenditures for tourism promotion and development do not meet the standards specified by the definition that is created in the bill, the department must notify the Department of Revenue (DOR). Under the bill, DOR is required to review the municipality's or commission's itemized expenditures. If DOR determines that not all of the municipality's or commission's expenditures for tourism promotion and development meet the requirements that are created in the bill, DOR must impose a forfeiture of \$10, and a surcharge, on the municipality. The surcharge must be at least \$500, and may not exceed 7 percent of the expenditures that did not meet the requirements that are created in the bill. The surcharges are sent to the department and must be used for tourism marketing. The bill also requires DOR to develop a schedule of surcharges.

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:

SECTION 1. 20.380 (1) (b) of the statutes is amended to read:

20.380 (1) (b) Tourism marketing; general purpose revenue. The amounts in the schedule for tourism marketing service expenses and the execution of the functions under ss. 41.11 (4) and 41.17, the surcharge amounts sent to the department under s. 66.0615 (4) (d) for the execution of the functions under s. 41.17, and the grants under 1997 Wisconsin Act 27, section 9148 (2f) and (2x). In each fiscal year, the department shall expend for tourism marketing service expenses and the execution of the functions under ss. 41.11 (4) and 41.17 an amount that bears the same proportion to the amount in the schedule for the fiscal year as the amount expended under par. (kg) in that fiscal year bears to the amount in the schedule for par. (kg)

No similar bill  
No commission exists  
requires a municipality to report to the department  
room tax revenues were spent  
purposes for which  
specified by DOR  
substitute amendment requires  
DOR to promulgate

Use 3x

substitute amendment

substitute amendment

is extremely likely to

commission to submit a copy of the report it must currently file with a

**ASSEMBLY BILL 298**

1 for that fiscal year. Of the amounts under this paragraph, not more than 50% shall  
 2 be used to match funds allocated under s. 41.17 by private or public organizations  
 3 for the joint effort marketing of tourism with the state. The department shall expend  
 4 at least \$125,000 in each fiscal year from this appropriation to conduct or contract  
 5 for marketing activities related to sporting activities and events. Of the amounts in  
 6 the schedule, \$25,000 shall be allocated in each fiscal year for state sponsorship of,  
 7 and advertising during, media broadcasts of the Milwaukee symphony. Of the  
 8 amounts in the schedule, \$50,000 shall be allocated for grants to America's Black  
 9 Holocaust Museum in the city of Milwaukee.

**SECTION 2.** 66.0615 (1) (fm) of the statutes is created to read:

10 **66.0615 (1) (fm)** "Tourism promotion and development" means a marketing  
 11 project, transient tourist informational service, or tangible municipal development  
 12 that is significantly used by transient tourists that will do one of the following:  
 13  
 14 1. Generate paid overnight stays at more than one establishment on which a  
 15 tax under sub. (1m) (a) may be imposed, that are owned by different persons, within  
 16 a municipality in which a tax under this section is in effect.  
 17  
 18 2. Generate paid overnight stays at one establishment on which a tax under  
 19 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.

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

20 **66.0615 (1m) (d) 3.** A commission shall use the room tax revenue that it  
 21 receives from a municipality to promote and develop for tourism development  
 22 promotion and  
 23 development, including the support of a convention center, strike other than a privately  
 24 owned convention center that is used to generate overnight stays at only one

INS  
5-9

INS  
3-11

ASSEMBLY BILL 298

SECTION 3

1 ~~establishment on which a tax under sub. (1m) (a) may be imposed,~~ in the zone or in  
2 the municipality.

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

4 66.0615 (1m) (d) 4. The commission shall report annually to each municipality  
5 from which it receives room tax revenue the purposes for which the revenues were  
6 spent. ~~The report shall be in a form that will enable the municipality to easily  
7 prepare the form described under sub. (4) (a).~~

8 SECTION 5. 66.0615 (4) of the statutes is created to read:

9 66.0615 (4) (a) ~~Annually a municipality that imposes a room tax under sub.  
10 (1m) (a) shall file with the department of tourism a form, that either is prepared by  
11 the department or that meets guidelines prepared by the department of tourism and  
12 that is acceptable to the department, that describes the municipality's room tax  
13 revenues received in the prior year and itemizes the municipality's or commission's  
14 expenditures of those room tax revenues for tourism promotion and development.~~

15 The department of tourism shall determine whether all such expenditures were  
16 made for tourism promotion and development, to the extent required under sub. (1m)  
17 (d).

18 (b) If the department of tourism determines that not all of the expenditures  
19 were made for tourism promotion and development to the extent required under sub.  
20 (1m) (d), the department of tourism shall send all information on which it based its  
21 determination to the department of revenue.

22 (c) 1. If the department of revenue receives information described under par.  
23 (b), it shall conduct a review to determine whether the municipality's or commission's  
24 itemized expenditures for tourism promotion and development comply with the  
25 standards under sub. (1m) (d).

INS  
4-5

INS  
4-7

from  
AA1  
to  
AA1

INS  
4-15

ASSEMBLY BILL 298

1           2. If the department of revenue determines that not all of the expenditures were  
 2           made for tourism promotion and development to the extent required under sub. (1m)  
 3           (d), it shall impose on the municipality a forfeiture of \$10 and a ~~surcharge under par.~~

INS  
5-4

(am) e

4  
 5           (d) The surcharge imposed by the department of revenue under par. (c) 2 shall  
 6           be based on a schedule developed by the department, and shall be not more than 7  
 7           percent of the amount of expenditures that were not made for tourism promotion and  
 8           development to the extent required under sub. (1m) (d), in the year to which the  
 9           determination relates, and shall not be less than \$500. To the greatest extent  
 10           possible, the surcharge shall be paid by the municipality from its share of room tax  
 11           revenues that are not spent on tourism promotion and development. The  
 12           municipality shall transmit any payment of imposed surcharges to the department  
 13           of tourism for deposit into the appropriation account under s. 20.380 (1) (b).

INS  
5-14

(END)

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

September 6, 2005 - Offered by COMMITTEE ON TOURISM.

At the locations indicated, amend the bill as follows:

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

2. 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) (c) for the execution of the functions under s. 41.17.

~~SECTION 1s.~~ 41.17 (5) of the statutes, as affected by 2005 Wisconsin Act 25, is amended to read:

41.17 (5) FUNDING SOURCE. Subject to the ~~50%~~ 50 percent 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)

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P. 10/2

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INS 3-9  
p. 2 of 2

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

INS 3-11

4 “66.0615 (1) (fm) “Tourism promotion and development” means any of the  
5 following that <sup>are</sup> significantly used by transient tourists and <sup>is extremely likely to</sup> 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.”

<sup>including a convention center</sup>

INS 4-5

15 4. Page 4, line 6: delete lines 6 and 7 and substitute <sup>no ff</sup> “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  
20 expended.”

21 5. Page 4, line 9: delete the material beginning with “Annually” and ending  
22 with “The” on page 4, line 15 and substitute <sup>no ff</sup> “Based on the information contained in  
23 the reports described under sub. (1m) (d) 4., the”.

INS 4-15

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

INS  
5-4

No ff

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7. Page 5, line 4: delete that line and substitute surcharge as specified by the department of revenue in rules promulgated by the department. To the greatest extent possible, the surcharge 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. 20.380 (1) (je).

8. Page 5, line 5: delete lines 5 to 13.

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

INS  
5-14

**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 legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 10th month beginning after the effective date of this subsection.

(END)



**ASSEMBLY AMENDMENT,**  
**TO ASSEMBLY AMENDMENT (LRBa0863/2),**  
**TO 2005 ASSEMBLY BILL 298**

INS 4-7

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

2 **1.** Page 2, line 20: after that line insert:

3 "4m. Page 4, line 7: after that line insert:

4 ~~SECTION 4m.~~ 66.0615 (1m) (d) 6. of the statutes is created to read:

5 66.0615 (1m) (d) 6. If a municipality issued debt before January 1, 2005, to  
 6 finance the construction of a municipally owned convention ~~or conference~~ center,  
 7 nothing in this section may prevent the municipality from meeting all of the original  
 8 terms of its obligation."

9 (END)

**Shovers, Marc**

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**From:** Liedl, Kimberly  
**Sent:** Monday, October 17, 2005 10:16 AM  
**To:** Shovers, Marc  
**Subject:** /2 - add in conference center  
**Attachments:** AB 298 Sub Proposal10\_14.doc

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**From:** Trisha Pugal [mailto:pugal@lodging-wi.com]  
**Sent:** Friday, October 14, 2005 2:25 PM  
**To:** Liedl, Kimberly  
**Subject:** Re: FYI for Tues and Wed

Attached is a revision requested by Secretary Holperin (in bold from what was sent a day or two ago). This reverts back to the language offered in the amendment drafted before the Tourism Committee meeting. We do not care for it, but will support the Secretary's request at this time.

Trisha Pugal, CAE  
President, CEO  
Wisconsin Innkeepers Association  
262-782-2851  
pugal@lodging-wi.com  
For lodging information visit [www.wisconsinlodging.info](http://www.wisconsinlodging.info)

**AB 298 Room Tax**  
***Proposed Language for Substitute Amendment***

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

“Tourism promotion and development” means any of the following that is significantly used by transient tourists and is extremely likely to 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 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 tourism informational services.
3. Tangible municipal development, including a convention center.

66.0615 (1m) (d) 3. Of the statutes is amended to read:

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

66.0615 (1m) (d) 6 of the statutes is created to read:

If a municipality issued debt before January 1, 2005, to finance the construction of a municipally owned convention center **or conference center**, nothing in this section may prevent the municipality from meeting all of the original terms of its obligation.



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRBs0258/12

MES:wlj:ch

stays

RMR

ASSEMBLY SUBSTITUTE AMENDMENT,

TO 2005 ASSEMBLY BILL 298

NOW

Ed, LPS  
only change is  
on p. 4, l. 8

repen

1 AN ACT *to amend* 41.17 (5), 66.0615 (1m) (d) 3. and 66.0615 (1m) (d) 4.; and *to*  
2 *create* 20.380 (1) (je), 66.0615 (1) (fm), 66.0615 (1m) (d) 6. and 66.0615 (4) of the  
3 statutes; **relating to:** tourism promotion and development under room tax law  
4 and making an appropriation.

***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, and requires a commission to send a copy of the report it must currently file with a municipality to the Department of Tourism (department). Similarly, if no commission exists, the substitute amendment requires a municipality to report to the department on the purposes for which its room tax revenues were spent. The definition created in the substitute amendment deals with 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. If the department determines that a municipality's or commission's expenditures for tourism promotion and development do not meet the standards specified by the definition that is created in the substitute amendment, the department must notify the Department of Revenue (DOR). Under the substitute amendment, DOR is required to review the municipality's or commission's itemized expenditures. If DOR determines that not all of the municipality's or commission's expenditures for tourism promotion and development meet the requirements that are created in the substitute amendment, DOR must impose a forfeiture of \$10, and a surcharge, on the municipality. The surcharge must be specified by DOR in rules that the substitute amendment requires DOR to promulgate. The surcharges are sent to the department and must be used for tourism marketing.

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

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

2           20.380 (1) (je) *Room tax surcharge, tourism promotion.* All moneys received  
3 from the surcharge under s. 66.0615 (4) (c) 2. for the execution of the functions under  
4 s. 41.17.

5           **SECTION 2.** 41.17 (5) of the statutes, as affected by 2005 Wisconsin Act 25, is  
6 amended to read:

1           41.17 (5) FUNDING SOURCE. Subject to the 50% 50 percent limitation under s.  
2           20.380 (1) (b) and the proportional expenditure requirements under s. 20.380 (1) (b)  
3           and (kg), the department shall expend, from the appropriations under s. 20.380 (1)  
4           (b), (je), (kg), and (v) (w), at least \$1,130,000 in the aggregate in each fiscal year in  
5           joint effort marketing funds under this section.

6           **SECTION 3.** 66.0615 (1) (fm) of the statutes is created to read:

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

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

16          2. Transient tourist informational services.

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

18          **SECTION 4.** 66.0615 (1m) (d) 3. of the statutes is amended to read:

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

23          **SECTION 5.** 66.0615 (1m) (d) 4. of the statutes is amended to read:

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

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

6 **SECTION 6.** 66.0615 (1m) (d) 6. of the statutes is created to read:

7 66.0615 (1m) (d) 6. If a municipality issued debt before January 1, 2005, to  
8 finance the construction of a municipally owned convention center, <sup>or conference</sup> nothing in this <sup>center</sup>  
9 section may prevent the municipality from meeting all of the original terms of its  
10 obligation.

11 **SECTION 7.** 66.0615 (4) of the statutes is created to read:

12 66.0615 (4) (a) Based on the information contained in the reports described  
13 under sub. (1m) (d) 4., the department of tourism shall determine whether all such  
14 expenditures were made for tourism promotion and development, to the extent  
15 required under sub. (1m) (d).

16 (b) If the department of tourism determines that not all of the expenditures  
17 were made for tourism promotion and development to the extent required under sub.  
18 (1m) (d), the department of tourism shall send all information on which it based its  
19 determination to the department of revenue.

20 (c) 1. If the department of revenue receives information described under par.  
21 (b), it shall conduct a review to determine whether the municipality's or commission's  
22 itemized expenditures for tourism promotion and development comply with the  
23 standards under sub. (1m) (d).

24 2. If the department of revenue determines that not all of the expenditures were  
25 made for tourism promotion and development to the extent required under sub. (1m)

1 (d), it shall impose on the municipality a forfeiture of \$10 and a surcharge as specified  
2 by the department of revenue in rules promulgated by the department. To the  
3 greatest extent possible, the municipality shall pay the surcharge from its share of  
4 room tax revenues that are not spent on tourism promotion and development. The  
5 municipality shall transmit any payment of imposed penalties to the department of  
6 tourism for deposit into the appropriation account under s. 20.380 (1) (je).

7 **SECTION 8. Nonstatutory provisions.**

8 (1) The department of revenue shall submit in proposed form the rules required  
9 under section 66.0615 (4) (c) 2. of the statutes, as created by this act, to the legislative  
10 council staff under section 227.15 (1) of the statutes no later than the first day of the  
11 10th month beginning after the effective date of this subsection.

12 (END)



**Shovers, Marc**

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**From:** Liedl, Kimberly  
**Sent:** Monday, October 17, 2005 12:33 PM  
**To:** Shovers, Marc  
**Subject:** FW: Sub amendment 2, AB 298

I'm sorry to do this again at the last minute, but now we need a /3. Changes are listed below. I'll send the stripes back now.  
My apologies,  
Kimber

---

**From:** Trisha Pugal [mailto:pugal@lodging-wi.com]  
**Sent:** Monday, October 17, 2005 12:23 PM  
**To:** Liedl, Kimberly; Andy Franken; Kathi Kilgore  
**Subject:** Re: Sub amendment 2, AB 298

Kimber:

As just discussed on the phone, the substitute amendment language still has the reporting and penalty language everyone agreed to drop, so the analysis by the drafter would need to change, plus the following lines should be eliminated:

Page 2  
Lines 1-6

Page 3  
Lines 1-5, and  
Lines 23-25

Page 4  
Lines 1-5, and  
Lines 11-25

Page 5  
Lines 1-11

Please advise if you have any questions.  
Thank-you,

Trisha Pugal, CAE  
President, CEO  
Wisconsin Innkeepers Association  
262-782-2851  
pugal@lodging-wi.com  
For lodging information visit [www.wisconsinlodging.info](http://www.wisconsinlodging.info)





State of Wisconsin  
2005 - 2006 LEGISLATURE

LRBs0258/2

MES:wlj:jj

3  
STMS  
RMR

ASSEMBLY SUBSTITUTE AMENDMENT,  
TO 2005 ASSEMBLY BILL 298

WANTED:  
4 P.M.

Re  
gen

1 AN ACT *to amend* 41.17 (5), 66.0615 (1m) (d) 3. and 66.0615 (1m) (d) 4.; and *to*  
2 *create* 20.380 (1) (je), 66.0615 (1) (fm), 66.0615 (1m) (d) 6. and 66.0615 (4) of the  
3 statutes; **relating to:** tourism promotion and development under room tax law  
4 and making an appropriation.

*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, and requires a commission to send a copy of the report it must currently file with a municipality to the Department of Tourism (department). Similarly, if no commission exists, the substitute amendment requires a municipality to report to the department on the purposes for which its room tax revenues were spent. The definition created in the substitute amendment deals with 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. If the department determines that a municipality's or commission's expenditures for tourism promotion and development do not meet the standards specified by the definition that is created in the substitute amendment, the department must notify the Department of Revenue (DOR). Under the substitute amendment, DOR is required to review the municipality's or commission's itemized expenditures. If DOR determines that not all of the municipality's or commission's expenditures for tourism promotion and development meet the requirements that are created in the substitute amendment, DOR must impose a forfeiture of \$10, and a surcharge, on the municipality. The surcharge must be specified by DOR in rules that the substitute amendment requires DOR to promulgate. The surcharges are sent to the department and must be used for tourism marketing.

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12 (END)