

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/1dn
MES:kjf:imp

November 2, 2011

Senators Moulton and Olsen:

Please review this draft to ensure that it meets your intent. It seems to me that the draft had some inconsistencies. For example, under s. 66.0615 (1m) (a), as amended, room tax revenues paid to a municipality, “with regard to any tax revenue that may not be retained by the municipality, shall be forwarded to a tourism entity or a commission if one is created under par. (c), as provided in par. (d),” except for the 3 percent that may be retained by the person collecting the tax. Similarly, s. 66.0615 (1m) (d) 1. states that “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, or forwarded to a tourism entity.”

Although these provisions state that all room tax revenue not retained must be sent to a tourism entity or commission, s. 66.0615 (1m) (d) 2. stated, in part, that “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.” My understanding is that your intent is reflected by the language in sub. (1m) (a), as amended, and sub. (1m) (d) 1., so in this version of the draft I made sub. (1m) (d) 2. consistent with sub. (1m) (d) 1. Is this OK?

Also, the penalty provisions for improper expenditures of room tax revenues, which DOR may impose in created s. 66.0615 (4) (d), are imposed only on a municipality even though municipalities may not spend room tax revenues directly and such revenues must be sent to a tourism entity or commission. Subsection (4) (d) 1. requires a municipality to pay the penalty amount for an improper expenditure to a commission or entity, even though the rest of the bill makes clear that a municipality may not spend directly on tourism promotion and must send such revenues to a commission or tourism entity. How would you like to address this seeming inconsistency?

Please let me know if you'd like any further changes made to the bill.

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