

State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2120/P2
MES:kjf:rs

in 10/14 other

RMA

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

D-NOTE

Legen

1 AN ACT to amend 66.0615 (1) (f), 66.0615 (1m) (a), 66.0615 (1m) (d) 1. and
2 66.0615 (1m) (d) 2.; and to create 15.435 (2), 66.0615 (1m) (dm) and 66.0615
3 (4) of the statutes; relating to: changes to the local room tax and creation of a
4 state room tax board.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

JNS
ANL

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

5 SECTION 1. 15.435 (2) of the statutes is created to read:
6 15.435 (2) ROOM TAX REVIEW BOARD. (a) *Creation; membership*. There is created
7 a room tax review board, attached to the department of revenue under s. 15.03,
8 consisting of the following members appointed by the governor:

1 1. One public member who is an officer, or the designee of an officer, of a
2 statewide organization that represents the interests of the Wisconsin hotel and
3 lodging industry.

4 2. One public member who is an officer, or the designee of an officer, of a
5 statewide organization that represents the interests of the Wisconsin convention,
6 visitor, and tourism entity industries.

7 3. One public member who is an officer, or the designee of an officer, of a
8 statewide organization that represents the interests of Wisconsin municipalities.

9 4. One employee of the department of revenue, who shall provide staff support
10 for the board, and may not vote.

11 (b) *Terms.* Each member under par. (a) shall be appointed by the governor for
12 a 3-year term, except that the first person appointed under par. (a) ^{3.} shall be
13 appointed for a one-year term, and the first person appointed under par. (a) 2. shall
14 be appointed for a 2-year term. Any vacancy shall be filled for the balance of the
15 unexpired term by the governor as soon as practicable.

****NOTE: Is this consistent with your intent? Do you want someone other than the
governor to make the appointments?

16 (c) *Duties.* The board may, upon its request, review the annual room tax reports
17 submitted to the department of revenue under s. 66.0615 (4) and shall review
18 complaints forwarded by the department under s. 66.0615 (4). The board shall also
19 evaluate whether any expenditures of room tax revenues that a municipality, a
20 commission as defined in s. 66.0615 (1) (a), a tourism entity as defined in s. 66.0615
21 (1) (f), or an organization that performs the functions of a tourism entity as described
22 in s. 66.0615 (1m) (b) 1., 2., and 4., is required to spend on tourism promotion and
23 development have not been spent for the required purposes. The board may seek and

1 evaluate any other data that relates to such possible improper spending of room tax
2 revenues by a municipality directly or on behalf of a municipality or zone, as defined
3 in s. 66.0615 (1) (h), by a commission, tourism entity, or organization that performs
4 the functions of a tourism entity.

5 (d) *Findings*. The board shall forward to the department of revenue written
6 findings concerning the board's evaluation of possible improper spending described
7 under par. (c), and its recommendations for department action against a
8 municipality that has spent room tax revenues directly, or on whose behalf such
9 revenues have been spent, for an improper purpose.

10 **SECTION 2.** 66.0615 (1) (f) of the statutes is amended to read:

11 66.0615 (1) (f) "Tourism entity" means a nonprofit organization that ~~came into~~
12 ~~existence before January 1, 1992, and provides staff, development or promotional~~
13 provides destination marketing staff and services for the tourism industry in a
14 municipality.

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

16 66.0615 (1m) (a) The governing body of a municipality may enact an ordinance,
17 and a district, under par. (e), may adopt a resolution, imposing a tax on the privilege
18 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
19 hotelkeepers, motel operators and other persons furnishing accommodations that
20 are available to the public, irrespective of whether membership is required for use
21 of the accommodations. A tax imposed under this paragraph is not subject to the
22 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
23 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
24 this paragraph by a municipality shall be paid to the municipality and may, with
25 regard to any tax revenue that may not be retained by the municipality, shall be

1 forwarded to a tourism entity or a commission if one is created under par. (c), as
2 provided in par. (d), except that before the person collecting the tax pays it to the
3 municipality, the person may retain 3 percent of the tax collected. Except as provided
4 in par. (am), a tax imposed under this paragraph by a municipality may not exceed
5 8%. Except as provided in par. (am), if a tax greater than 8% under this paragraph
6 is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax
7 to 8%, effective on June 1, 1994.

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

9 66.0615 (1m) (d) 1. A municipality that first imposes a room tax under par. (a)
10 after May 13, 1994, shall spend at least 70% of the amount collected on tourism
11 promotion and development. Any amount of room tax collected that must be spent
12 on tourism promotion and development shall either be ~~spent directly by the~~
13 ~~municipality on tourism promotion and development or shall be forwarded to the~~
14 commission for its municipality or zone if the municipality has created a commission,
15 or forwarded to a tourism entity.

16 **SECTION 5.** 66.0615 (1m) (d) 2. of the statutes is amended to read:

17 66.0615 (1m) (d) 2. If Subject to par. (dm), if a municipality collects a room tax
18 on May 13, 1994, it may retain not more than the same percentage of the room tax
19 that it retains on May 13, 1994. If a municipality that collects a room tax on May 1,
20 1994, increases its room tax after May 1, 1994, the municipality may retain not more
21 than the same percentage of the room tax that it retains on May 1, 1994, except that
22 if the municipality is not exempt under par. (am) from the maximum tax that may
23 be imposed under par. (a), the municipality shall spend at least 70% of the increased
24 amount of room tax that it begins collecting after May 1, 1994, on tourism promotion
25 and development. Any amount of room tax collected that must be spent on tourism

1 promotion and development shall either be ~~spent directly by the municipality on~~
2 ~~tourism promotion and development or shall be forwarded to the commission for its~~
3 municipality or zone if the municipality has created a commission. *or forwarded*
4 *to a tourism*

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

6 66.0615 (1m) (dm) Beginning with the room tax collected on January 1, 2012,
7 by a municipality that collected a room tax on May 13, 1994, and retained more than
8 30 percent of the room tax collected for purposes other than tourism promotion and
9 development, such a municipality shall reduce the amount retained that exceeds 30
10 percent by one-third on January 1, 2012, January 1, 2013, and January 1, 2014, so
11 that on and after January 1, 2014, the municipality retains not more than 30 percent
12 of the room tax collected for purposes other than tourism promotion and
13 development.

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

15 66.0615 (4) (a) Annually, on a form provided by the department of revenue,
16 every municipality that imposes a tax under sub. (1m) shall certify and report to the
17 department all of the following:

18 1. The amount of room tax revenue collected by the municipality in the previous
19 year.

20 2. A detailed accounting of the amounts of such revenue that were expended
21 in the previous year for tourism promotion and development. The detailed
22 accounting shall include expenditures made directly by a municipality or on behalf
23 of a municipality or a zone by a commission, a tourism entity, or an organization that
24 performs the functions of a tourism entity, as described in sub. (1m) (b).

25 (b) The department of revenue shall collect the reports described in par. (a) and
shall forward copies of the reports to the room tax review board under s. 15.435 (2),

1 upon the request of the board, not later than 30 days after receiving a request from
2 the board for a copy of a report.

3 (c) Upon receipt of a complaint concerning the use of room tax revenue by a
4 municipality, commission, tourism entity, or an organization that performs the
5 functions of a tourism entity, as described in sub. (1m) (b), the department of revenue
6 shall forward a copy of the complaint to the room tax review board not later than 30
7 days after receiving the complaint.

8 (d) If the department of revenue receives written findings from the room tax
9 board, as described under s. 15.435 (2) (d), concerning the board's evaluation of
10 possible improper spending of room tax revenues the department may, based on the
11 board's findings, impose any of the following penalties on a municipality:

12 1. An amount equal to the improper expenditure, which the municipality shall
13 forward to a commission or tourism entity, ensuring that the amount deposited or
14 forwarded is spent on tourism promotion and development. The municipality shall
15 forward the penalty to a commission or entity not later than the first day of the 6th
16 month beginning after the penalty is imposed.

17 2. An amount determined by the department, not to exceed the lesser of either
18 20 percent of the improper expenditure described under subd. 1. or \$2,000, that shall
19 be paid to the department and allocated by the department to offset part of the
20 department's costs in collecting and distributing the reports under par. (b).

21 (END)

D-note

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/lins
MES:kjf:rs

INS ANL

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 (tourism). 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 under current law as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism industry in a municipality. The bill changes the definition of tourism entity to be a nonprofit organization that provides destination marketing staff and services for the tourism industry in a municipality without regard to when the entity came into existence.

Under current law,
X A municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism; the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone. The 30 percent or less of the room tax revenue that is not spent on tourism may be retained by the municipality and used for any other purpose. If a municipality collected a room tax on May 13, 1994, it may retain up to the same percentage of the room tax that it retained on that date, even if that percentage is more than 30 percent.

Under this bill, any revenue that is not retained by the municipality must be forwarded to a tourism entity or a commission, although the ~~the~~ person collecting the room tax may retain 3 percent of the tax collected. Also under the bill, a municipality that retains more than 30 percent of the room tax must reduce the amount that it retains to no more than 30 percent. The reduction must be made in equal amounts over a ~~3~~ *three*-year period beginning on January 1, 2012.

X This bill also creates a room tax review board (board), attached to the department of revenue (DOR). The board has ~~3~~ *three* voting public members, who are appointed by the governor for staggered ~~3~~ *three*-year terms. One appointee represents the interests of the Wisconsin hotel and lodging industry, one appointee represents the interests of the Wisconsin convention, visitor, and tourism entity industries, and one appointee represents the interests of Wisconsin municipalities. A fourth member of

X the ~~commission~~^{board}, who does not vote but is ^{also} appointed by the governor, is an employee of DOR and provides staff support for the board.

The bill requires municipalities annually to certify and report to DOR the amount of room tax revenue collected by the municipality in the previous year as well as a detailed accounting of amounts that were expended on tourism by the municipality and on its behalf. DOR is required to collect the reports and, upon the board's request, forward them to the board.

X If DOR receives a complaint concerning the use of room tax revenue by a municipality, commission, tourism entity, or organization that performs the functions of a tourism entity (tourism group), DOR must forward a copy of the complaint to the board. The board is authorized to review annual room tax reports, is required to review complaints forwarded by DOR, and is also required to evaluate whether a tourism group's tourism expenditures have been spent for the required purposes. The board may seek and use any other data related to possible improper spending of room tax revenues. Following its evaluation, the board must forward its written findings to DOR, along with its recommendations for DOR action against a tourism group for improper spending.

Upon receipt of the board's written findings, DOR may impose a penalty on the municipality that has made improper expenditures or on whose behalf improper expenditures have been made. The penalty could be an amount equal to the improper expenditure, an amount not to exceed the lesser of 20 percent of the improper expenditure or \$2,000, or both.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/1dn

MES:kjf:js

Date

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 ~~deleted the inconsistent provision contained in sub. (1m) (d) 2.~~ Is this OK? ~~Please let me know if in fact you'd like municipalities to be able to spend room tax revenues directly on tourism promotion, in which case sub. (1m) (a) and (d) 1. must be amended and the language I deleted in sub. (1m) (d) 2. will be restored.~~

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.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

*consistent with
sub. (1m) (d) 1.*

made

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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**Proposed Draft Revisions to
LRB-2120/P2
Room Tax Reform**

11/29/11 redvate
for 12

✓ **1. Elimination of Room Tax Review Board.**

Remove all portions relating to the Room Tax Review Board

✓ **2. Tourism Entity Changes.**

Expand on the definition of "Tourism entity" in 66.0615 (1) (f) as follows:

✓ A. Following the word "municipality" on line 14, add ", and which spends at least 51% of it's revenues on tourism promotion and development".

✓ B. Add a requirement that the voting governing body of the tourism entity must include at least one owner/operator of a lodging property collecting the room tax in the municipality. Also, similar to the current requirement for a commission, add that a tourism entity must provide an annual report of their expenditures from room tax revenue, to the municipality or commission forwarding the room tax revenue to them.

this is
all in
CR;
(1m)(d)7.

✓ **3. Tourism Majority Representation on Commission in Single Municipality.**

Expand on 66.0615 (1m) (c) 1. , replacing "one of the commission members..." with "At least one of the commission members..." and adding language requiring a majority of the voting members of the commission to be owners/operators of restaurants, tourist attractions, or lodging properties collecting the room tax, in the municipality.

✓ **4. Tourism Majority Representation on Commission in Zone.**

Expand on 66.0615 (1m) (c) 2. to require commissions created by multiple municipalities in a zone to also have a majority of voting representatives be owners/operators of restaurants, tourist attractions, or lodging properties collecting the room tax in each municipality in the zone.

5. Municipal Annual Report Requirements.

A. The DOR must collect the report from every municipality imposing a room tax, which would be available to the public on request. That would be the extent of their role.

B. Specify this report noted in 66.0615 (4) (a) 2. must contain the following:

- Under 66.0615 (4) (a) 2. change the word "expended" on line 19 to "allocated to a commission or tourism entity" and remove the second sentence.
- Stipulation whether this revenue went to a tourism entity or a commission
- A list of the representatives on the designated tourism entity governing board or commission, including the name of the company they own or work for on a regular basis.
- A list of what the room tax revenue sent to the tourism entity or commission was spent on, for all expenditures of \$1,000 or more.

6. Shift of DOR imposed penalties to Court-imposed.

A. Remove the authority of the DOR in draft #2 to impose penalties (except add authorization for them to impose a penalty if the municipality does not submit the required report, if there is a precedent for something similar in the statutes. This penalty would go to the DOR to offset the cost of the report collection responsibilities)

B. Instead authorize penalties the courts may impose in a ruling determining that a municipality, commission, or tourism entity did not comply with statute 66.0615 relating to the allocation or use of room tax revenue. The penalties would be similar to those previously planned to be authorized for the DOR in draft #2 except:

- A penalty must first include payment of an amount equal to the improper allocation or expenditure, payable to the commission or tourism entity, to be used exclusively for tourism promotion and development as defined in the statute
- The court fees for the litigation would be recoverable
- The additional fee of the lesser of 20% or \$2,000 would be determined by the court and the "or \$2,000" would be reduced to "or \$1,000". The proceeds would still go to the DOR to offset their costs in collecting reports.



Rmk

2011 BILL

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D-note

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Regen

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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 (tourism). 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 under current law as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism

BILL

industry in a municipality. The bill changes the definition of tourism entity to be a nonprofit organization that provides destination marketing staff and services for the tourism industry in a municipality without regard to when the entity came into existence. *(XNS ANL)*

Under current law, a municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism; the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone. The 30 percent or less of the room tax revenue that is not spent on tourism may be retained by the municipality and used for any other purpose. If a municipality collected a room tax on May 13, 1994, it may retain up to the same percentage of the room tax that it retained on that date, even if that percentage is more than 30 percent.

Under this bill, any revenue that is not retained by the municipality must be forwarded to a tourism entity or a commission, although the person collecting the room tax may retain 3 percent of the tax collected. Also under the bill, a municipality that retains more than 30 percent of the room tax must reduce the amount that it retains to no more than 30 percent. The reduction must be made in equal amounts over a three-year period beginning on January 1, 2012.

~~This bill also creates a room tax review board (board), attached to the Department of Revenue (DOR). The board has three voting public members, who are appointed by the governor for staggered three-year terms. One appointee represents the interests of the Wisconsin hotel and lodging industry, one appointee represents the interests of the Wisconsin convention, visitor, and tourism entity industries, and one appointee represents the interests of Wisconsin municipalities. A fourth member of the board, who does not vote but is also appointed by the governor, is an employee of DOR and provides staff support for the board.~~

The bill requires municipalities annually to certify and report to ~~(DOR)~~ the amount of room tax revenue collected by the municipality in the previous year as well as a detailed accounting of amounts that were ~~expended on tourism by the municipality and on its behalf.~~ DOR is required to collect the reports, and upon the board's request, forward them to the board. *make them available to the public*

~~If DOR receives a complaint concerning the use of room tax revenue by a municipality, commission, tourism entity, or organization that performs the functions of a tourism entity (tourism group), DOR must forward a copy of the complaint to the board. The board is authorized to review annual room tax reports, is required to review complaints forwarded by DOR, and is also required to evaluate whether a tourism group's tourism expenditures have been spent for the required purposes. The board may seek and use any other data related to possible improper spending of room tax revenues. Following its evaluation, the board must forward its written findings to DOR, along with its recommendations for DOR action against a tourism group for improper spending.~~

Upon receipt of the board's written findings, DOR may impose a penalty on the municipality that has made improper expenditures or on whose behalf improper expenditures have been made. The penalty could be an amount equal to the

In addition, the report must identify the members of a commission or tourism entity, and their business or employment affiliation, if any

forwarded to a commission or tourism entity and such an accounting for amounts of at least \$1,000 expended by a commission or tourism entity

Department of Revenue

BILL

~~improper expenditure, an amount not to exceed the lesser of 20 percent of the improper expenditure or \$2,000, or both.~~

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:

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6 statewide organization that represents the interests of the Wisconsin hotel and
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13 4. One employee of the department of revenue, who shall provide staff support
14 for the board, and may not vote.

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18 be appointed for a 2-year term. Any vacancy shall be filled for the balance of the
19 unexpired term by the governor as soon as practicable.

BILL

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11 in s. 66.0615 (1) (h), by a commission, tourism entity, or organization that performs
12 the functions of a tourism entity.

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18 **SECTION 2.** 66.0615 (1) (f) of the statutes is amended to read:

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21 provides destination marketing staff and services for the tourism industry in a
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23 **SECTION 3.** 66.0615 (1m) (a) of the statutes is amended to read:

24 66.0615 (1m) (a) The governing body of a municipality may enact an ordinance,
25 and a district, under par. (e), may adopt a resolution, imposing a tax on the privilege

BILL

1 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
2 hotelkeepers, motel operators and other persons furnishing accommodations that
3 are available to the public, irrespective of whether membership is required for use
4 of the accommodations. A tax imposed under this paragraph is not subject to the
5 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
6 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
7 this paragraph by a municipality shall be paid to the municipality and may, with
8 regard to any tax revenue that may not be retained by the municipality, shall be
9 forwarded to a tourism entity or a commission if one is created under par. (c), as
10 provided in par. (d), except that before the person collecting the tax pays it to the
11 municipality, the person may retain 3 percent of the tax collected. Except as provided
12 in par. (am), a tax imposed under this paragraph by a municipality may not exceed
13 8%. Except as provided in par. (am), if a tax greater than 8% under this paragraph
14 is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax
15 to 8%, effective on June 1, 1994.

IND
5-15
16 SECTION 4. 66.0615 (1m) (d) 1. of the statutes is amended to read:

17 66.0615 (1m) (d) 1. A municipality that first imposes a room tax under par. (a)
18 after May 13, 1994, shall spend at least 70% of the amount collected on tourism
19 promotion and development. Any amount of room tax collected that must be spent
20 on tourism promotion and development shall either be ~~spent directly by the~~
21 ~~municipality on tourism promotion and development or shall be~~ forwarded to the
22 commission for its municipality or zone if the municipality has created a commission,
23 or forwarded to a tourism entity.

24 SECTION 5. 66.0615 (1m) (d) 2. of the statutes is amended to read:

BILL

1 66.0615 (1m) (d) 2. If Subject to par. (dm), if a municipality collects a room tax
2 on May 13, 1994, it may retain not more than the same percentage of the room tax
3 that it retains on May 13, 1994. If a municipality that collects a room tax on May 1,
4 1994, increases its room tax after May 1, 1994, the municipality may retain not more
5 than the same percentage of the room tax that it retains on May 1, 1994, except that
6 if the municipality is not exempt under par. (am) from the maximum tax that may
7 be imposed under par. (a), the municipality shall spend at least 70% of the increased
8 amount of room tax that it begins collecting after May 1, 1994, on tourism promotion
9 and development. Any amount of room tax collected that must be spent on tourism
10 promotion and development shall either be ~~spent directly by the municipality on~~
11 ~~tourism promotion and development or shall be forwarded to the commission for its~~
12 municipality or zone if the municipality has created a commission ~~or forwarded to~~
13 ~~a tourism entity~~ or forwarded to a tourism entity.

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

15 66.0615 (1m) (dm) Beginning with the room tax collected on January 1, 2012,
16 by a municipality that collected a room tax on May 13, 1994, and retained more than
17 30 percent of the room tax collected for purposes other than tourism promotion and
18 development, such a municipality shall reduce the amount retained that exceeds 30
19 percent by one-third on January 1, 2012, January 1, 2013, and January 1, 2014, so
20 that on and after January 1, 2014, the municipality retains not more than 30 percent
21 of the room tax collected for purposes other than tourism promotion and
22 development.

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

BILL

1 66.0615 (4) (a) Annually, on a form provided by the department of revenue,
2 every municipality that imposes a tax under sub. (1m) shall certify and report to the
3 department all of the following:

- 4 1. The amount of room tax revenue collected by the municipality in the previous
- 5 year. *forwarded to a commission or tourism entity*
- 6 2. A detailed accounting of the amounts of such revenue that were ~~expended~~
- 7 in the previous year for tourism promotion and development. The detailed
- 8 accounting shall include expenditures *of at least \$1,000* made ~~directly by a municipality or on behalf~~
- 9 ~~of a municipality or zone~~ by a commission *or* a tourism entity, ~~or an organization that~~
- 10 performs the functions of a tourism entity, as described in sub. (1m) (b).

INS 7-10

11 (b) The department of revenue shall collect the reports described in par. (a) and
12 shall ~~forward copies of the reports to the room tax review board under s. 15.435 (2),~~
13 ~~upon the request of the board, not later than 30 days after receiving a request from~~
14 ~~the board for a copy of a report.~~ *make them available to the public*

15 ~~(c) Upon receipt of a complaint concerning the use of room tax revenue by a~~
16 ~~municipality, commission, tourism entity, or an organization that performs the~~
17 ~~functions of a tourism entity, as described in sub. (1m) (b), the department of revenue~~
18 ~~shall forward a copy of the complaint to the room tax review board not later than 30~~
19 ~~days after receiving the complaint.~~

20 (d) If the department of revenue receives written findings from the room tax
21 board, as described under s. 15.435 (2) (d), concerning the board's evaluation of
22 possible improper spending of room tax revenues the department may, based on the
23 board's findings, impose any of the following penalties on a municipality:

- 24 1. An amount equal to the improper expenditure, which the municipality shall
- 25 forward to a commission or tourism entity, ensuring that the amount deposited or

BILL

1 forwarded is spent on tourism promotion and development. The municipality shall
2 forward the penalty to a commission or entity not later than the first day of the 6th
3 month beginning after the penalty is imposed.

4 2. An amount determined by the department, not to exceed the lesser of either
5 20 percent of the improper expenditure described under subd. 1. or \$2,000, that shall
6 be paid to the department and allocated by the department to offset part of the
7 department's costs in collecting and distributing the reports under par. (b).

8 (END)

D-Note

INS ANL

NOT → The bill requires that a tourism entity must spend at least 51 percent of the room tax revenue it receives on tourism promotion and development.

New Par. → Under the bill, the majority of the members of the governing body of a tourism entity, and a majority of the members of a commission, must be owners or operators of restaurants, tourist attractions, or lodging facilities which collect the room tax, and which are located in the municipality for which the room tax is collected.

INS 5-15

✓
SECTION 1. 66.0615 (1m) (c) 1. of the statutes is amended to read:

66.0615 (1m) (c) 1. If a commission is created by a single municipality, the commission shall consist of 4 to 6 members. One At least one of the commission members shall represent the Wisconsin hotel and motel industry. Members shall be appointed under subd. 3. A majority of the members of a commission shall be owners or operators of restaurants, tourist attractions, or lodging facilities which collect the room tax described in this section, and which are located in the municipality for which the room tax is collected.

32. **History:** 1983 a. 189, 514; 1993 a. 263, 467, 491; 1999 a. 9; 1999 a. 150 ss. 565 to 567; Stats. 1999 s. 66.0615; 2003 a. 203; 2005 a. 135; 2007 a. 20; 2009 a. 2; 2011 a. 18.

~~INS 6-13~~

✓
SECTION 2. 66.0615 (1m) (c) 2. a. of the statutes is amended to read:

66.0615 (1m) (c) 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. A majority of the members of a commission shall be owners or operators of restaurants, tourist attractions, or lodging facilities which

collect the room tax described in this section, and which are located in the municipalities for which the room tax is collected. Except as provided in subd. 2. b., members shall be appointed under subd. 3.

History: 1983 a. 189, 514; 1993 a. 263, 467, 491; 1999 a. 9; 1999 a. 150 ss. 565 to 567; Stats. 1999 s. 66.0615; 2003 a. 203; 2005 a. 135; 2007 a. 20; 2009 a. 2; 2011 a. 18, 32.

SECTION 3. 66.0615 (1m) (d) ^{re 8} 7 of the statutes is created to read:

66.0615 (1m) (d) ^{re 8} 7. A tourism entity shall spend at least 51 percent of the room tax revenue it receives on tourism promotion and development. The governing body of a tourism entity shall include at least one owner or operator of a lodging facility which collects the room tax described in this section and which is located in the municipality for which the room tax is collected. Subdivision 4., as it applies to a commission, applies to a tourism entity.

This is INS 6-13

INS 7-10

3. A list of each member of the commission and each member of the governing body of a tourism entity to which the municipality forwarded room tax revenue in the previous year, and the name of the business entity the member owns, operates, or is employed by, if any.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/2dn
MES:kjf:16

Date

8
Senator Olsen:

This version of the draft is based on the recent instructions you sent me (which appear to be based on the /P2 version, not the most current /1 version), but I have a number of questions. Item number 2 states that a tourism entity must spend "at least 51% of its revenues on tourism promotion and development." I've drafted this provision in created s. 66.0615 (1m) (d) ~~1.~~, but it seems like the 51 percent threshold may create a logical conflict with the requirements that a municipality must spend at least 70 percent of room tax revenues on tourism promotion and development, either directly or by a commission or tourism entity. Compare this provision to s. 66.0615 (1m) (d) 1. and 2. Do you want to impose any requirement on a tourism entity regarding the way it spends the other 49 percent of room tax revenues it receives if such revenues are not spent on tourism promotion and development?

Do these provisions meet your intent?

Under item 5, the instructions state that the report a municipality must submit to DOR must contain a "stipulation whether this revenue went to a tourism entity or a commission." I don't understand this. Who stipulates what, and to whom? As drafted, s. 66.0615 (4) (a) 2. already requires a detailed accounting of the amounts of room tax revenue that were forwarded to a commission or tourism entity.

I did not make the changes in item 6, shifting the DOR imposed penalties to "court-imposed" penalties because I have a number of questions. With regard to instruction 6. a., in what amount would you like DOR to be able to impose a penalty on a municipality for failure to submit a report?

With regard to instruction item 6. b., who would have standing to allege that a municipality, commission, or tourism entity made improper allocations or expenditures? Did you *intend* to omit an organization that acts as a tourism entity, as described in s. 66.0615 (1m) (b), from being charged with an improper allocation or expenditure? Who would have access to the necessary data to support the allegations? By whom would you like the court fees to be recoverable?

Please let me know how you'd like to proceed.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/2dn
MES:kjf:rs

November 29, 2011

Senator Olsen:

This version of the draft is based on the recent instructions you sent me (which appear to be based on the /P2 version, not the most current /1 version), but I have a number of questions. Item number 2 states that a tourism entity must spend "at least 51% of its revenues on tourism promotion and development." I've drafted this provision in created s. 66.0615 (1m) (d) 8., but it seems like the 51 percent threshold may create a logical conflict with the requirements that a municipality must spend at least 70 percent of room tax revenues on tourism promotion and development, either directly or by a commission or tourism entity. Compare this provision to s. 66.0615 (1m) (d) 1. and 2. Do these provisions meet your intent? Do you want to impose any requirement on a tourism entity regarding the way it spends the other 49 percent of room tax revenues it receives if such revenues are not spent on tourism promotion and development?

Under item 5, the instructions state that the report a municipality must submit to DOR must contain a "stipulation whether this revenue went to a tourism entity or a commission." I don't understand this. Who stipulates what, and to whom? As drafted, s. 66.0615 (4) (a) 2. already requires a detailed accounting of the amounts of room tax revenue that were forwarded to a commission or tourism entity.

I did not make the changes in item 6, shifting the DOR imposed penalties to "court-imposed" penalties because I have a number of questions. With regard to instruction 6. a., in what amount would you like DOR to be able to impose a penalty on a municipality for failure to submit a report?

With regard to instruction item 6. b., who would have standing to allege that a municipality, commission, or tourism entity made improper allocations or expenditures? Did you intend to omit an organization that acts as a tourism entity, as described in s. 66.0615 (1m) (b), from being charged with an improper allocation or expenditure? Who would have access to the necessary data to support the allegations? By whom would you like the court fees to be recoverable?

Please let me know how you'd like to proceed.

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

Shovers, Marc

From: Pettack, Dee
Sent: Monday, December 05, 2011 3:37 PM
To: Shovers, Marc
Subject: FW: LRB-2120/2 Room Tax Reform

Mark,

Below are the changes that are requested. It seems that there may be some areas where further discussion is needed. Can you begin the changes to the LRB and call me if you need additional clarification on this issue.

Thanks,

Dee

I would like to provide the following suggestions & responses relating to the Drafter's Note of November 29, and version /2 for Senator Olsen's consideration. First, I would like to clarify that I have not seen LRB- 2120/1, so am only able to reference 2120/P2 and 2120/2 versions in these comments.

- cf. in Act 32*
1. **Creation of 66.0615 (1m) (d) 8.:** *First of all, I do not see a "7" to precede the "8". Second, the first sentence was intended to be tied into the definition of what qualifies an organization to be considered a tourism entity. This sentence placed in this place would provide a contradiction to other components. If this sentence were removed and the following language added to the definition under 66.0615 (1) (f) on page 3 line 2 of this draft following the word "municipality", it should work: ", and which spends at least 51% of it's revenues on tourism promotion and development".*
 2. **Question relating to the 51% compatibility between the tourism entity definition and room tax allocations:** *There should be no conflict, as a tourism entity may have multiple revenue sources, of which room tax is one source. The proposed new definition with the 51% of expenditures being spent on tourism promotion and development (see above) clarifies that regardless of the sources of revenue, the majority of what is spent by the organization is focused on tourism or they would not be considered a "tourism entity" and would instead need a tourism commission to oversee the tourism promotion and development portion. In no way should this definition impact the requirements of how room tax revenue is spent. Please note this also changes the summary on page two, the last sentence of the first paragraph in the LRB Analysis.*
 3. **Do the provisions in 66.0615 (1m) (d) 1 and 2 meet your intent?** *Yes, based on the above.*
 4. **Question asking about imposition of any requirement on a tourism entity regarding the way it spends the other 49% of room tax revenues if not on tourism promotion & development:** *This question will not be necessary based on the clarifications made above.*
 5. **Question on the word "stipulation".** *Perhaps stipulation was not the best word choice, and "specification" or "notation" or something similar would be better. The important part is that there would be a requirement that it is reported on the provided form which of the two options (tourism entity or commission) the room tax revenue for tourism promotion and development was submitted to.*
 6. **Question on what amount of penalty should the DOR be able to impose on a municipality for not submitting an annual report:** *We were hoping there would be a similar precedent that could be utilized. If this is not the case, perhaps an amount of \$3,000 would serve as an appropriate incentive for compliance. A stipulation that this penalty may not be funded by room tax revenue would be helpful.*
 7. **Question on who would have the standing to allege improper allocations or expenditures:** *The intent was to follow current litigation perimeters, so that a person, organization, or company that can file a lawsuit today could continue to do so, but the courts as well as the litigants would have some guidance.*
 8. **Clarification if a tourism entity would be omitted from being charged with an improper allocation:** *At this time we would say no.*
 9. **Question on who would have access to the necessary data to support the allegations:** *One would assume*

I don't think anything needs to be drafted

12/5/2011

that the attorneys would be responsible for locating their credible sources, and the judge would determine if there is sufficient credibility for a ruling. These changes are not intended to change the court process, merely to establish reasonable penalties that could stand as a deterrent.

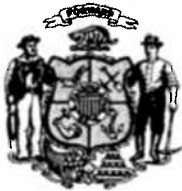
10. **Question on by whom the court fees should be recoverable:** *It is the intention that the court fees could be recoverable by the plaintiff if the court rules in their favor.*

11. **LRB Analysis clarification:** *on page 2, the first sentence of the first full paragraph, the notation that a majority of the members of the governing body of a tourism entity must be owners/operators of the specified tourism businesses should be removed as the intention is to impose this requirement only on a single or zone commission.*

I hope this addresses all of the questions and clarifications needed at this point. Please feel free to contact me if you have any questions we can assist with.

Thank-you again!

Trisha A. Pugal, CAE
President, CEO
Wisconsin Hotel & Lodging Association
Brookfield, Wisconsin
262-782-2851
Pugal@WisconsinLodging.org
Search www.WisconsinLodging.org



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2120/2

MES:kj:rs

RMR

2011 BILL

NOTE

*WANTED:
MONEY*

refm

1 AN ACT *to amend* 66.0615 (1) (f), 66.0615 (1m) (a), 66.0615 (1m) (c) 1., 66.0615
2 (1m) (c) 2. a., 66.0615 (1m) (d) 1. and 66.0615 (1m) (d) 2.; and *to create* 66.0615
3 (1m) (d) 8., 66.0615 (1m) (dm) and 66.0615 (4) of the statutes; *relating to:*
4 changes to the local room tax *and providing a penalty*

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 (tourism). 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 under current law as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism

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industry in a municipality. The bill changes the definition of tourism entity to be a nonprofit organization that provides destination marketing staff and services for the tourism industry in a municipality without regard to when the entity came into existence. ~~The bill requires that a tourism entity must spend at least 51 percent of the room tax revenue it receives on tourism promotion and development and~~

Under the bill, the majority of the members of the governing body of a tourism entity, and a majority of the members of a commission, must be owners or operators of restaurants, tourist attractions, or lodging facilities which collect the room tax, and which are located in the municipality for which the room tax is collected.

Under current law, a municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism; the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone. The 30 percent or less of the room tax revenue that is not spent on tourism may be retained by the municipality and used for any other purpose. If a municipality collected a room tax on May 13, 1994, it may retain up to the same percentage of the room tax that it retained on that date, even if that percentage is more than 30 percent.

Under this bill, any revenue that is not retained by the municipality must be forwarded to a tourism entity or a commission, although the person collecting the room tax may retain 3 percent of the tax collected. Also under the bill, a municipality that retains more than 30 percent of the room tax must reduce the amount that it retains to no more than 30 percent. The reduction must be made in equal amounts over a three-year period beginning on January 1, 2012.

The bill requires municipalities annually to certify and report to the Department of Revenue (DOR) the amount of room tax revenue collected by the municipality in the previous year as well as a detailed accounting of amounts that were forwarded to a commission or tourism entity and such an accounting for amounts of at least \$1,000 expended by a commission or tourism entity. DOR is required to collect the reports and make them available to the public. In addition, the report must identify the members of a commission or tourism entity, and their business or employment affiliation, if any.

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:

- 1 **SECTION 1.** 66.0615 (1) (f) of the statutes is amended to read:
- 2 66.0615 (1) (f) "Tourism entity" means a nonprofit organization that came into
- 3 existence before January 1, 1992, and provides staff, development or promotional

spends

the bill, the governing body of a tourism entity must include at least one owner or operator of a lodging facility in the municipality for which the room tax is collected.

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spends at least 51 percent of its revenues on tourism promotion and development, and
1 provides destination marketing staff and services for the tourism industry in a
2 municipality.

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

4 66.0615 (1m) (a) The governing body of a municipality may enact an ordinance,
5 and a district, under par. (e), may adopt a resolution, imposing a tax on the privilege
6 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
7 hotelkeepers, motel operators and other persons furnishing accommodations that
8 are available to the public, irrespective of whether membership is required for use
9 of the accommodations. A tax imposed under this paragraph is not subject to the
10 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
11 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
12 this paragraph by a municipality shall be paid to the municipality and may, with
13 regard to any tax revenue that may not be retained by the municipality, shall be
14 forwarded to a tourism entity or a commission if one is created under par. (c), as
15 provided in par. (d), except that before the person collecting the tax pays it to the
16 municipality, the person may retain 3 percent of the tax collected. Except as provided
17 in par. (am), a tax imposed under this paragraph by a municipality may not exceed
18 8%. Except as provided in par. (am), if a tax greater than 8% under this paragraph
19 is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax
20 to 8%, effective on June 1, 1994.

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

22 66.0615 (1m) (c) 1. If a commission is created by a single municipality, the
23 commission shall consist of 4 to 6 members. ~~One~~ At least one of the commission
24 members shall represent the Wisconsin hotel and motel industry. Members shall be
25 appointed under subd. 3. A majority of the members of a commission shall be owners

BILL

1 or operators of restaurants, tourist attractions, or lodging facilities which collect the
2 room tax described in this section, and which are located in the municipality for
3 which the room tax is collected.

4 **SECTION 4.** 66.0615 (1m) (c) 2. a. of the statutes is amended to read:

5 66.0615 (1m) (c) 2. a. If the commission is created by more than one
6 municipality in a zone, the commission shall consist of 3 members from each
7 municipality in which annual tax collections exceed \$1,000,000, 2 members from
8 each municipality in which annual tax collections exceed \$300,000 but are not more
9 than \$1,000,000 and one member from each municipality in which annual tax
10 collections are \$300,000 or less. A majority of the members of a commission shall be
11 owners or operators of restaurants, tourist attractions, or lodging facilities which
12 collect the room tax described in this section, and which are located in the
13 municipalities for which the room tax is collected. Except as provided in subd. 2. b.,
14 members shall be appointed under subd. 3.

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

16 66.0615 (1m) (d) 1. A municipality that first imposes a room tax under par. (a)
17 after May 13, 1994, shall spend at least 70% of the amount collected on tourism
18 promotion and development. Any amount of room tax collected that must be spent
19 on tourism promotion and development shall either be ~~spent directly by the~~
20 ~~municipality on tourism promotion and development or shall be~~ forwarded to the
21 commission for its municipality or zone if the municipality has created a commission,
22 or forwarded to a tourism entity.

23 **SECTION 6.** 66.0615 (1m) (d) 2. of the statutes is amended to read:

24 66.0615 (1m) (d) 2. If Subject to par. (dm), if a municipality collects a room tax
25 on May 13, 1994, it may retain not more than the same percentage of the room tax

BILL

1 that it retains on May 13, 1994. If a municipality that collects a room tax on May 1,
2 1994, increases its room tax after May 1, 1994, the municipality may retain not more
3 than the same percentage of the room tax that it retains on May 1, 1994, except that
4 if the municipality is not exempt under par. (am) from the maximum tax that may
5 be imposed under par. (a), the municipality shall spend at least 70% of the increased
6 amount of room tax that it begins collecting after May 1, 1994, on tourism promotion
7 and development. Any amount of room tax collected that must be spent on tourism
8 promotion and development shall either be ~~spent directly by the municipality on~~
9 ~~tourism promotion and development or shall be forwarded to the commission for its~~
10 ~~municipality or zone if the municipality has created a commission, or forwarded to~~
11 a tourism entity.

12 **SECTION 7.** 66.0615 (1m) (d) 8. of the statutes is created to read:

13 ~~66.0615 (1m) (d) 8. A tourism entity shall spend at least 51 percent of the room~~
14 ~~tax revenue it receives on tourism promotion and development.~~ The governing body
15 of a tourism entity shall include at least one owner or operator of a lodging facility
16 which collects the room tax described in this section and which is located in the
17 municipality for which the room tax is collected. Subdivision 4., as it applies to a
18 commission, applies to a tourism entity.

19 **SECTION 8.** 66.0615 (1m) (dm) of the statutes is created to read:

20 66.0615 (1m) (dm) Beginning with the room tax collected on January 1, 2012,
21 by a municipality that collected a room tax on May 13, 1994, and retained more than
22 30 percent of the room tax collected for purposes other than tourism promotion and
23 development, such a municipality shall reduce the amount retained that exceeds 30
24 percent by one-third on January 1, 2012, January 1, 2013, and January 1, 2014, so
25 that on and after January 1, 2014, the municipality retains not more than 30 percent

BILL

1 of the room tax collected for purposes other than tourism promotion and
2 development.

3 **SECTION 9.** 66.0615 (4) ^{and (5) are} of the statutes ^{is} created to read:

4 66.0615 (4) (a) Annually, on a form provided by the department of revenue,
5 every municipality that imposes a tax under sub. (1m) shall certify and report to the
6 department all of the following:

7 1. The amount of room tax revenue collected by the municipality in the previous
8 year.

9 2. A detailed accounting of the amounts of such revenue that were forwarded
10 to a commission or tourism entity in the previous year for tourism promotion and
11 development. The detailed accounting shall include expenditures of at least \$1,000
12 made by a commission or a tourism entity.

13 3. A list of each member of the commission and each member of the governing
14 body of a tourism entity to which the municipality forwarded room tax revenue in the
15 previous year, and the name of the business entity the member owns, operates, or is
16 employed by, if any.

17 (b) The department of revenue shall collect the reports described in par. (a) and
18 shall make them available to the public.

19 (c) The department ^{of revenue} ~~may~~ ^{that} impose a penalty of not more than
\$3,000 on a municipality which does not submit to the
department the reports described in par. (a). A municipality
may not use room tax revenue to pay a penalty imposed
under this paragraph. The penalty shall be paid to
the department of revenue to be used by the department
to offset its costs in collecting the reports described in
par. (a).

INS 6-19
→

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/3ins
MES:kjfrs

INS ANL

This bill authorizes an individual to bring a circuit court action alleging that the municipality in which he or she resides is not allocating or using room tax revenue as required by the statutes, or that a commission or tourism entity which receives room tax revenue from such a municipality is not using the revenue as required by statute. If the individual bringing such an action prevails, the circuit court may order a municipality, commission, or tourism entity to comply with the statutes relating to the allocation and use of room tax revenue, may impose a forfeiture on a municipality for violating such statutes, and may prohibit a municipality from forwarding room tax revenue to a commission or tourism entity for a period of time determined by the court. The court must also award the prevailing plaintiff costs and reasonable attorney fees.

INS 6-19

(5) (a) Any individual may bring an action in the circuit court alleging that the municipality in which he or she resides is not allocating or using the room tax revenue it receives as required under this section, or alleging that the commission or tourism entity to which such a municipality forwards some of its room tax revenue is not using the room tax revenue it receives as required under this section.

(b) If the court finds that such room tax revenues are not being allocated or used by a municipality as required under this section, the court may order the municipality to immediately comply with the statutory requirements in this section relating to the allocation and use of the room tax revenues, and may impose a forfeiture on the municipality equal to the lesser of either 20 percent of the amount the municipality must allocate or use to comply with the court's order or \$2,000. If a forfeiture is imposed under this subdivision ^{paragraph}, the municipality shall pay the forfeiture to the department of revenue to be used by the department to offset its costs in collecting the reports described in sub. (4).

(c) If the court finds that such room tax revenues are not being used by a commission or tourism entity as required under this section, the court may order the commission or tourism entity to immediately comply with the statutory requirements in this section relating to the use of the room tax revenues. The court may also enjoin the municipality from forwarding any room tax revenue to the commission or tourism entity for a period of time determined by the court.

(d) If the individual who brought the action under par. (a) prevails, the court shall award the individual the costs and reasonable attorney fees he or she incurred in bringing the action.

(END)

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

LRB-2120/3dn

MES:kjf:rs

Date

Senator Olsen:

ed
Please review this version of the draft, especially the penalty and forfeiture provisions, to ensure that it is consistent with your intent. The instructions state that penalty and forfeiture money paid to DOR should be used to offset DOR's costs in collecting the reports described in sub. (4)(a). What if the amount of penalties and forfeitures paid to the department exceed its costs to collect the reports? What would you like done with any penalties and forfeitures collected by DOR that exceed the department's costs?

X
The instructions did not really specify any penalty that could be imposed on a commission or tourism entity for improper use of room tax revenues. Because a commission or tourism entity may not have access to much revenue besides room tax revenue, I'm not sure that allowing the court to impose a forfeiture would work. Instead, this version of the bill allows a court to prevent a municipality from forwarding any additional room tax revenue to a commission or tourism entity for a period of time determined by the court. Is this consistent with your intent? *5*

X
The instructions also state that if an individual who brings an action under sub. (4)(d) is successful, he or she may recover his or her "court fees." My understanding is that court fees are already reimbursed under current law in ch. 814. The bill awards the prevailing plaintiff costs and reasonable attorney fees. Is this your intent?

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

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

LRB-2120/3dn
MES:kjf:ph

December 12, 2011

Senator Olsen:

Please review this version of the draft, especially the penalty and forfeiture provisions, to ensure that it is consistent with your intent. The instructions state that penalty and forfeiture money paid to DOR should be used to offset DOR's costs in collecting the reports described in sub. (4) (a). What if the amount of penalties and forfeitures paid to the department exceed its costs to collect the reports? What would you like done with any penalties and forfeitures collected by DOR that exceed the department's costs?

The instructions did not really specify any penalty that could be imposed on a commission or tourism entity for improper use of room tax revenues. Because a commission or tourism entity may not have access to much revenue besides room tax revenue, I'm not sure that allowing the court to impose a forfeiture would work. Instead, this version of the bill allows a court to prevent a municipality from forwarding any additional room tax revenue to a commission or tourism entity for a period of time determined by the court. Is this consistent with your intent?

The instructions also state that if an individual who brings an action under sub. (5) (d) is successful, he or she may recover his or her "court fees." My understanding is that court fees are already reimbursed under current law in ch. 814. The bill awards the prevailing plaintiff costs and reasonable attorney fees. Is this your intent?

Marc E. Shovers
Managing Attorney
Phone: (608) 266-0129
E-mail: marc.shovers@legis.wisconsin.gov

Shovers, Marc

From: Pettack, Dee
Sent: Tuesday, December 20, 2011 2:45 PM
To: Shovers, Marc
Subject: FW: LRB-2120/3 Room Tax Reform
Marc -

~~Trisha~~
Trisha

A few more changes are needed to LRB 2120 - Please give me a call with any questions.

Thanks,

Dee

A few items were requested earlier, but perhaps were unclear as they were not included, a few are technical changes, one relates to a new provision the drafter added, and two items are new points that came out in yesterday's meeting as important clarifications. I would be happy to explain any and all points to the extent you wish.

1. (From Drafter's Note): While the intent was to have the **penalties and forfeitures going to the BOR** used to offset their costs in the added responsibilities, it may be best to leave that part out and end the sentences on page 7 with "...paid to the department of revenue." (in lines 4-5, and 19-20). Some years they may come up short on monies received and other years they may receive more.

2. (From Drafter's Note): Regarding the **penalty that could be imposed on a commission or tourism entity for improper use**, the Drafter's suggestion to allow the court to prevent the municipality from forwarding continuing allocations to the body initially sounds good, however this would allow the municipality to retain the funding for their own use, which would deepen the negative impact of not using funding to promote and develop tourism. On this basis, we would suggest this suggested language be removed. Instead, if it is a **tourism entity** that is guilty, in addition to being required to immediately comply with the statute, the court could require that for a certain period of time the monies must be instead allocated to a commission for oversight. If it is a **commission** that is guilty, perhaps the court could require that all but one of the voting members of the commission be from a restaurant, attraction, or lodging property for a designated period of time. Both options would deter further improper use and yet not penalize the promotion of tourism.

3. (From Drafter's Note): Regarding the awarding of prevailing plaintiff costs and reasonable attorney fees, the note states that the bill awards this, however I could not locate any wording in the draft addressing this, and am not knowledgeable if the recent law change allowing for reimbursement of court fees includes coverage of attorney fees. We are asking that the prevailing plaintiff will receive reimbursement of attorney fees, however this needs to be addressed.

11/11/12
Trisha
Kelpas
attached instructions

insert for
3 omitted
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Other Changes

1. **Tourism Entity.** We are suggesting that tourism entities that spend between 51% and 70% of their revenue on tourism promotion should be required to have a majority of their governing board be owners/operators of either restaurant, attraction, or lodging properties in the taxed area (can use the wording from the same requirement for commissions). By deduction, this means that tourism entities at 71% and higher do not have this requirement.

2. **Implementation Dates for Grandfather Clause Phase-Out.** On page 6, line 1 please push back the starting date from 2012 to January 1, 2013 to allow reasonable time. Then on line 5, push

back the 2012 date to 2013; the 2013 date to 2014; and the 2014 date to 2015. Finally, on line 6 push back the 2014 date to 2015. Basically, all year dates are pushed back by one year, as we are already near January.

this instruction makes no sense -

? see p. 6, 15-18

changed to "person"

3. **Eligibility for Grandfather Clause Phase-Out.** On page 6 in an appropriate place near lines 1-8 we would appreciate clarification that the only ones eligible for a phase-out are those currently operating in compliance with the statute. The concern is that a municipality who is keeping more than 30% but is not actually eligible to do so (NOT in compliance with the grandfather clause) would read this to allow them 3 added years to continue to violate the law.

2. it's a mandate

there are specific statutes that state this can't happen

4. **Annual Report Requirements.** First, on page 6 starting on line 13, we still need the notification as to whether the revenue was forwarded to a commission or a tourism entity. Second, whether it is addressed in this section or on page 5 starting on line 21, we have asked that the tourism entity submit an annual report, similar to the requirement of the same for a commission.

who is "we"?

This is in the draft p. 5, l. 24

5. **Who May Bring Action.** We would like to allow for both an individual business located in the municipality and a non-profit organization affiliated with the tourism industry (not necessarily based in the municipality) to bring action in the circuit court relating to the improper use of room tax. This is critical as a local resident or even a local business owner may fear local retribution. This could be addressed on page 7 starting with line 7.

6. **Municipal Penalties.** First, on page 7, line 12 the words "or used" should be removed as the municipality no longer would be directly responsible for the use of the portion of the room tax revenue for tourism promotion and development, so this would not apply. Second, on page 7 lines 13-14 there is a difference between being ordered to immediately comply with the requirements, and being ordered to re-pay the amount already allocated elsewhere. It is good to have the compliance requirement as noted, however we suggest that language be added to require the re-payment of what was not properly allocated. Third, on line 17 the proposed amount was reduced from \$2,000 to \$1,000 when the recovery of attorney fees was added to the proposal.

Shovers, Marc

From: Pettack, Dee
Sent: Wednesday, January 11, 2012 1:34 PM
To: Shovers, Marc
Subject: Room Tax

Marc –

Please call Trisha below with questions:

Trisha A. Pugal, CAE
President, CEO
Wisconsin Hotel & Lodging Association
Brookfield, Wisconsin
262-782-2851
Pugal@WisconsinLodging.org

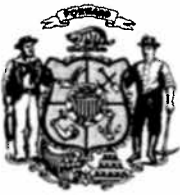
Thanks,
Dee

HLM

Instructions from Irish 1/11/12
regarding item # 2 of the memo to the

#2 A) If entity does wrong - Man: must
create a comm. & when a comm
is created, the \$ → to the comm
& comm decides whether to spend the
\$ or send it to entity
It sets duration for how long
\$ can't go → entity directly

B) If problem w/ the comm, req the appointment
auth to dismiss all comm. & appoint new
comm.



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-2120/3
MES:kjf:ph

PMNR +jk

2011 BILL

WANTED
Tuesday

Rogers

4

1 AN ACT to amend 66.0615 (1) (f), 66.0615 (1m) (a), 66.0615 (1m) (c) 1., 66.0615
2 (1m) (c) 2. a., 66.0615 (1m) (d) 1. and 66.0615 (1m) (d) 2.; and to create 66.0615
3 (1m) (d) 8., 66.0615 (1m) (dm) and 66.0615 (4) and (5) of the statutes; relating
4 to: changes to the local room tax and providing a penalty.

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 (tourism). 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 under current law as a nonprofit organization that existed before January 1, 1992, and provides staff, development, or promotional services for the tourism

that - 2 -

BILL and the majority of the members of the governing body of a tourism entity which spends between 51 percent and 70 percent of its revenue on tourism promotion and development,

industry in a municipality. The bill changes the definition of tourism entity to be a nonprofit organization that spends at least 51 percent of its revenue on tourism promotion and development and provides destination marketing staff and services for the tourism industry in a municipality without regard to when the entity came into existence.

Under the bill, the majority of the members of a commission must be owners or operators of restaurants, tourist attractions, or lodging facilities which collect the room tax, and which are located in the municipality for which the room tax is collected. Also under the bill, the governing body of a tourism entity must include at least one owner or operator of a lodging facility in the municipality for which the room tax is collected.

Under current law, a municipality that first imposes a room tax after May 13, 1994, must spend at least 70 percent of the amount collected on tourism; the expenditure may be spent directly by the municipality or forwarded to the commission for its municipality or zone. The 30 percent or less of the room tax revenue that is not spent on tourism may be retained by the municipality and used for any other purpose. If a municipality collected a room tax on May 13, 1994, it may retain up to the same percentage of the room tax that it retained on that date, even if that percentage is more than 30 percent.

Under this bill, any revenue that is not retained by the municipality must be forwarded to a tourism entity or a commission, although the person collecting the room tax may retain 3 percent of the tax collected. Also under the bill, a municipality that retains more than 30 percent of the room tax must reduce the amount that it retains to no more than 30 percent. The reduction must be made in equal amounts over a three-year period beginning on January 1, 2013.

The bill requires municipalities annually to certify and report to the Department of Revenue (DOR) the amount of room tax revenue collected by the municipality in the previous year as well as a detailed accounting of amounts that were forwarded to a commission or tourism entity and such an accounting for amounts of at least \$1,000 expended by a commission or tourism entity. DOR is required to collect the reports and make them available to the public. In addition, the report must identify the members of a commission or tourism entity, and their business or employment affiliation, if any.

This bill authorizes an individual to bring a circuit court action alleging that the municipality in which he or she resides is not allocating ~~any~~ room tax revenue as required by the statutes, or that a commission or tourism entity which receives room tax revenue from such a municipality is not using the revenue as required by statute. If the ~~individual~~ ^{person} bringing such an action prevails, the circuit court may order a municipality, commission, or tourism entity to comply with the statutes relating to the allocation and use of room tax revenue, may impose a forfeiture on a municipality for violating such statutes, and may prohibit a municipality from forwarding room tax revenue to a commission or tourism entity for a period of time determined by the court. The court must also award the prevailing plaintiff costs and reasonable attorney fees.

This bill also authorizes any other person who is affected by tourism in that municipality to bring such an action.

may require a municipality to repay a tourism entity or commission any amounts that should have been so allocated, and NO

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BILL

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:

1 **SECTION 1.** 66.0615 (1) (f) of the statutes is amended to read:

2 66.0615 (1) (f) "Tourism entity" means a nonprofit organization that ~~came into~~
3 ~~existence before January 1, 1992, and provides staff, development or promotional~~
4 spends at least 51 percent of its revenues on tourism promotion and development,
5 and provides destination marketing staff and services for the tourism industry in a
6 municipality.

7 **SECTION 2.** 66.0615 (1m) (a) of the statutes is amended to read:

8 66.0615 (1m) (a) The governing body of a municipality may enact an ordinance,
9 and a district, under par. (e), may adopt a resolution, imposing a tax on the privilege
10 of furnishing, at retail, except sales for resale, rooms or lodging to transients by
11 hotelkeepers, motel operators and other persons furnishing accommodations that
12 are available to the public, irrespective of whether membership is required for use
13 of the accommodations. A tax imposed under this paragraph is not subject to the
14 selective sales tax imposed by s. 77.52 (2) (a) 1. and may not be imposed on sales to
15 the federal government and persons listed under s. 77.54 (9a). A tax imposed under
16 this paragraph by a municipality shall be paid to the municipality and may, with
17 regard to any tax revenue that may not be retained by the municipality, shall be
18 forwarded to a tourism entity or a commission if one is created under par. (c), as
19 provided in par. (d), except that before the person collecting the tax pays it to the
20 municipality, the person may retain 3 percent of the tax collected. Except as provided
21 in par. (am), a tax imposed under this paragraph by a municipality may not exceed

BILL

1 8%. Except as provided in par. (am), if a tax greater than 8% under this paragraph
2 is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax
3 to 8%, effective on June 1, 1994.

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

5 66.0615 (1m) (c) 1. If a commission is created by a single municipality, the
6 commission shall consist of 4 to 6 members. ~~One~~ At least one of the commission
7 members shall represent the Wisconsin hotel and motel industry. Members shall be
8 appointed under subd. 3. A majority of the members of a commission shall be owners
9 or operators of restaurants, tourist attractions, or lodging facilities which collect the
10 room tax described in this section, and which are located in the municipality for
11 which the room tax is collected.

12 **SECTION 4.** 66.0615 (1m) (c) 2. a. of the statutes is amended to read:

13 66.0615 (1m) (c) 2. a. If the commission is created by more than one
14 municipality in a zone, the commission shall consist of 3 members from each
15 municipality in which annual tax collections exceed \$1,000,000, 2 members from
16 each municipality in which annual tax collections exceed \$300,000 but are not more
17 than \$1,000,000 and one member from each municipality in which annual tax
18 collections are \$300,000 or less. A majority of the members of a commission shall be
19 owners or operators of restaurants, tourist attractions, or lodging facilities which
20 collect the room tax described in this section, and which are located in the
21 municipalities for which the room tax is collected. Except as provided in subd. 2. b.,
22 members shall be appointed under subd. 3.

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

24 66.0615 (1m) (d) 1. A municipality that first imposes a room tax under par. (a)
25 after May 13, 1994, shall spend at least 70% of the amount collected on tourism

BILL

1 promotion and development. Any amount of room tax collected that must be spent
2 on tourism promotion and development shall either be ~~spent directly by the~~
3 ~~municipality on tourism promotion and development or shall be forwarded to the~~
4 commission for its municipality or zone if the municipality has created a commission,
5 or forwarded to a tourism entity.

6 **SECTION 6.** 66.0615 (1m) (d) 2. of the statutes is amended to read:

7 66.0615 (1m) (d) 2. If Subject to par. (dm), if a municipality collects a room tax
8 on May 13, 1994, it may retain not more than the same percentage of the room tax
9 that it retains on May 13, 1994. If a municipality that collects a room tax on May 1,
10 1994, increases its room tax after May 1, 1994, the municipality may retain not more
11 than the same percentage of the room tax that it retains on May 1, 1994, except that
12 if the municipality is not exempt under par. (am) from the maximum tax that may
13 be imposed under par. (a), the municipality shall spend at least 70% of the increased
14 amount of room tax that it begins collecting after May 1, 1994, on tourism promotion
15 and development. Any amount of room tax collected that must be spent on tourism
16 promotion and development shall either be ~~spent directly by the municipality on~~
17 ~~tourism promotion and development or shall be forwarded to the commission for its~~
18 municipality or zone if the municipality has created a commission, or forwarded to
19 a tourism entity.

20 **SECTION 7.** 66.0615 (1m) (d) 8. of the statutes is created to read:

21 66.0615 (1m) (d) 8. The governing body of a tourism entity shall include at least
22 one owner or operator of a lodging facility which collects the room tax described in
23 this section and which is located in the municipality for which the room tax is
24 collected. Subdivision 4., as it applies to a commission, applies to a tourism entity.

25 **SECTION 8.** 66.0615 (1m) (dm) of the statutes is created to read:

INS
5-24

BILL

1 66.0615 (1m) (dm) Beginning with the room tax collected on January 1, ~~2012~~ ²⁰¹³ ✓
 2 by a municipality that collected a room tax on May 13, 1994, ^{as described in par. (d) 2,} and retained more than ✓
 3 30 percent of the room tax collected for purposes other than tourism promotion and
 4 development, such a municipality shall reduce the amount retained that exceeds 30
 5 percent by one-third on January 1, ~~2012~~ ²⁰¹³ ✓, January 1, ~~2013~~ ²⁰¹⁴ ✓, and January 1, ~~2014~~ ²⁰¹⁵ ✓, so
 6 that on and after January 1, ~~2014~~ ²⁰¹⁵ ✓, the municipality retains not more than 30 percent
 7 of the room tax collected for purposes other than tourism promotion and
 8 development.

9 **SECTION 9.** 66.0615 (4) and (5) of the statutes are created to read:

10 66.0615 (4) (a) Annually, on a form ^{created and} provided by the department of revenue, ✓
 11 every municipality that imposes a tax under sub. (1m) shall certify and report to the
 12 department all of the following:

13 1. The amount of room tax revenue collected by the municipality in the previous
 14 year.

15 2. A detailed accounting of the amounts of such revenue that were forwarded
 16 ^{specifying the} commission or tourism entity ^{which received the revenue} ✓ in the previous year for tourism promotion and
 17 development. The detailed accounting shall include expenditures of at least \$1,000
 18 made by a commission or a tourism entity.

19 3. A list of each member of the commission and each member of the governing
 20 body of a tourism entity to which the municipality forwarded room tax revenue in the
 21 previous year, and the name of the business entity the member owns, operates, or is
 22 employed by, if any.

23 (b) The department of revenue shall collect the reports described in par. (a) and
 24 shall make them available to the public.

BILL

1 (c) The department of revenue may impose a penalty of not more than \$3,000
 2 on a municipality that does not submit to the department the reports described in
 3 par. (a). A municipality may not use room tax revenue to pay a penalty imposed
 4 under this paragraph. The penalty shall be paid to the department of revenue to be
 5 used by the department to offset its costs in collecting the reports described in par.

6 (a)

7 (5) (a) Any individual may bring an action in the circuit court alleging that the
 8 municipality in which he or she resides is not allocating or using the room tax
 9 revenue it receives as required under this section, or alleging that the commission

10 or tourism entity to which such a municipality forwards some of its room tax revenue
 11 is not using the room tax revenue it receives as required under this section.

No. An action described in this paragraph may also be brought by any person affected by tourism in that municipality.

12 (b) If the court finds that such room tax revenues are not being allocated ~~used~~
 13 by a municipality as required under this section, the court may order the

14 municipality to immediately comply with the statutory requirements in this section
 15 relating to the allocation ~~of~~ *to repay to a tourism entity or commission any amounts that should* of the room tax revenues, and may impose a

16 forfeiture on the municipality equal to the lesser of either 20 percent of the amount
 17 the municipality must allocate ~~to~~ *↓ 1,000* to comply with the court's order or ~~\$2,000~~ *\$1,000*. If

18 a forfeiture is imposed under this paragraph, the municipality shall pay the
 19 forfeiture to the department of revenue to be used by the department to offset its costs

20 in collecting the reports described in sub. (4).

21 (c) *21.* If the court finds that such room tax revenues are not being used by a
 22 commission or tourism entity as required under this section, the court may order the

23 commission or tourism entity to immediately comply with the statutory
 24 requirements in this section relating to the use of the room tax revenues. *INS 7-24*

have been so allocated as required under this section,

Handwritten notes on the left margin, including "M.T. 2/20/11" and other illegible scribbles.

BILL

may also enjoin the municipality from forwarding any room tax revenue to the commission or tourism entity for a period of time determined by the court.

✓
1
2
3
JWS
8-2

(END)

~~tourism entity~~

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2120/ins
MES:kjf:ph

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out of
order

(RMN)

INS ANL

~~NO~~ If the court determines that a tourism entity is not using room tax revenue according to the statute, the municipality must create a commission to oversee the expenditure of room tax revenue. If the court determines that a commission is not in compliance with the statute, the elected official who appointed the commission members must dismiss all members of the commission and appoint new commissioners. ✓

INS 7-24

¶ 2. If the court finds that a tourism entity is not in compliance with the statutory requirements, as described in subd. 1., ✓ the municipality shall create a commission. The municipality shall, for a period of time determined by the court, forward to the commission all room tax revenue that it may not retain. The commission may either spend the revenue it receives directly, or it may forward the revenue to the entity. Upon the expiration of the period of time determined by the court for room tax revenue to be forward^{ed} to the commission, the municipality may resume forwarding the room tax revenue it may not retain directly to the tourism entity. ✓

¶ 3. If the court finds that a commission is not in compliance with the statutory requirements, as described in subd. 1., ✓ the appointing official under sub. (1m) (c) 3. shall dismiss all of the members of the commission and shall appoint new commission members as provided in sub. (1m) (c). ✓

(end ins 7-24)

(c) If the court finds that such room tax revenues are not being used by a commission or tourism entity as required under this section, the court may order the commission or tourism entity to immediately comply with the statutory requirements in this section relating to the use of the room tax revenues. The court may also enjoin the municipality from forwarding any room tax revenue to the commission or tourism entity for a period of time determined by the court.

(d) If the ~~municipality~~ ^{person} who brought the action under par. (a) prevails, the court shall award the ~~municipality~~ ^{plaintiff} the costs and reasonable attorney fees ~~incurred~~ ^{the person} incurred in bringing the action. (end ins 8-2)

INS
8-2

INS 5-24

Sec. #; CR; 66.0615(1m)(d) 9. x
 66.0615(1m)(d) 9. With regard to a tourism entity that spends at least 51 percent, but not more than 70 percent, of its revenues on tourism promotion and development, a majority of the members of the tourism entity's governing body shall be owners or operators of restaurants, tourism attractions, or lodging facilities which collect the room tax described in this section, and which are located in the municipality for which the room tax is collected. (end ins 5-24)

Godwin, Gigi

From: Pettack, Dee
Sent: Friday, January 27, 2012 11:50 AM
To: LRB.Legal
Subject: Draft Review: LRB 11-2120/4 Topic: Modifications to the local room tax

Please Jacket LRB 11-2120/4 for the SENATE.

Godwin, Gigi

From: Pettack, Dee
Sent: Monday, January 30, 2012 9:39 AM
To: Godwin, Gigi
Subject: RE: Draft Review: LRB 11-2120/4--2nd jacket request

Sorry Gigi,

I was suffering from a case of Friday Afternoonitis, I just forgot I had already gotten and filed my draft.

My apologies for the confusion,

Dee

From: Godwin, Gigi
Sent: Friday, January 27, 2012 4:57 PM
To: Pettack, Dee
Subject: RE: Draft Review: LRB 11-2120/4--2nd jacket request
Importance: High

Good afternoon, Dee. You first requested draft 11-2120/4 to be jacketed at 11:50am. The draft was jacketed about an hour later. It was picked up by a Senate page, as the envelope is not in the Senate cubbyhole. Did it ever arrive at your office? Since the Senate pages don't sign a log, I am not sure when the envelope actually got picked up. Thanks, Gigi

Gigi Godwin, Program Assistant
State of Wisconsin - Legislative Reference Bureau
1 East Main Street, Suite 200
Madison, WI 53703
(608) 266-3561
Gigi.Godwin@legis.wisconsin.gov

From: Pettack, Dee
Sent: Friday, January 27, 2012 4:49 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-2120/4 Topic: Modifications to the local room tax

Please Jacket LRB 11-2120/4 for the SENATE.