



DOOR COUNTY TOURISM ZONE COMMISSION
 Administrator's Report
 July 2018

Compliance: Late Letters Sent

2018

- The number of **January 2018** "No Reports" letters sent: Thirty four (34) to owner managed properties on 3/16/18.
 - As of 5/10/18 – There are two (2) properties that remain to report.
 - As of 6/8/18 – All properties have reported.
- The number of **February 2018** "No Reports" letters sent: Thirty six (36) to owner managed properties on 4/13/18.
 - As of 5/10/18 – There are four (4) properties that remain to report.
 - As of 6/8/18 – All properties have reported.
- The number of **March 2018** "No Reports" letters sent: Twenty (20) to owner managed properties on 5/17/18.
 - As of 6/13/18 – There is one (1) property that remains to report.
 - As of 7/10/18 – All properties have reported.
- The number of **April 2018** "No Reports" letters sent: Forty nine (49) to owner managed properties on 6/13/18.
 - As of 7/10/18 there are four (4) properties to report.
- The number of **May 2018** "No Reports" letters sent: Seventy three (73) to owner managed properties on 7/11/18.

Unpaid tax/fees/penalties: The total outstanding due 7/13/18 is: \$2041.13 from seven (7) permit holders.

First Notice	Second Notice	Third Notice	Attorney	Settlement/ Payment Plan	Collections
\$29.50			\$ 514.43	\$ 1,016.79	\$ 26.23
\$52.53			\$ 54.77		\$ 37.86
\$115.50			\$ 25.10		
\$143.00			\$ 25.42		
\$340.53	\$0.00	\$0.00	\$619.72	\$1,016.79	\$64.09
\$2,041.13	Total Outstanding				

- **Permits:** As of 7/9/18 – Twenty two (22) permits (I did not count the re-permits in the new permits) have been issued since June reporting – fourteen (14) or 63.6% were permitted as a result of compliance efforts.
 - Seventeen(17) permits were issued during the same period of 2017
 - As of 7/9/18 there are 1158 permits
 - Town of Liberty Grove – Seasonal
 - Town of Jacksonport – seasonal - compliance
 - Village of Sister Bay – seasonal
 - City of Sturgeon Bay – year- round - compliance
 - City of Sturgeon Bay – year- round
 - Town of Jacksonport - year- round – compliance
 - Town of Baileys Harbor – seasonal (re-permit of resort to separate owner units)
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- Town of Sevastopol – year round - compliance
- Town of Nasewaupee – seasonal
- Town of Jacksonport – year – round – compliance
- City of Sturgeon Bay – seasonal – compliance
- Village of Ephraim – seasonal – compliance
- Village of Egg Harbor – year round – compliance
- Town of Baileys Harbor – seasonal – compliance
- Town of Forestville – year round – compliance
- Town of Egg Harbor – year-round – compliance
- Town of Liberty Grove – year-round –compliance
- Town of Liberty Grove – seasonal
- Town of Liberty Grove – seasonal
- City of Sturgeon Bay – year-round – compliance
- City of Sturgeon Bay – year- round
- Town of Sturgeon Bay – seasonal
- Town of Washington – seasonal – compliance
- Town of Sturgeon Bay – year round

Unpermitted Properties: As of 7/12/18 there are fifteen (15) unpermitted properties that are advertising online without a permit. In July of 2017, I was working on twenty three (23) unpermitted properties.

✓ **VRBO/ Homeaway/ Vactionrentals.com :** As of 7/12/18 there are 516 properties listed (487 June /458 May /470 April) on VRBO. Homeaway has 516 (520 June /458 in May and 511 In April).

✓ **The following listings are unpermitted on VRBO/Homeaway:**

- Unpermitted Listing #1: 1335047 – no leads on owner (timeshare Rushes)
- Unpermitted Listing #2: 1360182 – email sent to owner (has other permits)- mailed notice 6/27/18
- Unpermitted Listing #3: 1389635 – no leads on owner – on Clarks Lake I will have to continue to research.

• **Airbnb:** As of 7/12/18 Airbnb indicates that there are 398 listings for Door County. Between July 1 (the day I did the count spreadsheet) and July 9th there are new properties and a few of permitted properties added listings. One property added four (4) listings and another added three (3) along with a few previously permitted properties creating new listings online – Along with a few new properties as well. July 1, 2018 the breakdown of listings by municipality for Airbnb is as follows:

MUNI		# of Airbnb Properties		
2	Baileys Harbor	40		
4	Brussels	0		
6	Clay Banks	1		
8	Town of Egg Harbor	42		
9	Village of Egg Harbor	25		
11	Ephraim	25		
12	Gibraltar	30		
14	Town of Forestville	1		
15	Town of Jacksonport	7		
27	Nasewaupee	13		
32	Liberty Grove	53		
33	Sevastopol	21		
34	Sister Bay	14		
35	City of Sturgeon Bay	60		
36	Town of Sturgeon Bay	9		
39	Gardner	8		
42	Union	2		
46	Washington Island	21	372	TOTAL IN DC
	NOT IN DOOR COUNTY	13		
			385	Total Door County Listings

The following listings are unpermitted on Airbnb as of 7/12/18:

- Unpermitted Listing #1 : #23008138: NO LEADS TIMESHARE WHOLESALER
- Unpermitted Listing #2: #5974438 – Compliance Letter sent 5/22/18 (previously permitted).
- Unpermitted Listing #3: #25551184 – Compliance letter sent 6/4/18
- Unpermitted Listing #4: #25949863 – Compliance letter sent 6/13/18 & 7/2/18)
- Unpermitted Listing #5: #20869118 – Compliance email sent 7/9/18 (owner has other properties).
- Unpermitted Listing #6: #24230129 – Compliance letter 5/16, 6/14, & 7/2/18)

- Unpermitted Listing #7: #26441383 – Compliance letter sent 7/2/18
- Unpermitted Listing #8: #26739503 – owner information unfound sailing vessel.
- ✓ **Facebook** – There are three (3) properties that are in the compliance process from Facebook. Two have been referred on to legal counsel.
- ✓ **Craigslist** – There is currently one (1) listing unpermitted on Craigslist. The owner information is unfound.
- ✓ **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are 49 (48 last month) rentals. Flipkey has 51 listings for Door County. All are permitted.

Other news:

South Dakota vs. Wafair :

A recent Supreme Court decision could upend the implementation “glitch” that we have benefited from from ACT 59 - the WI State Budget last fall. Currently there is the inability to require the likes of Airbnb, VRBO, and Homeaway to register as a Lodging Marketplace as the legislation requires due to the lack of nexus. Online booking platforms were intended to be required to register to be Lodging Marketplaces, then collect and pay all required / applicable sales and room tax.

The U.S. Supreme Court ruled on June 21, 2018 that state and local governments are allowed to collect sales tax from internet retailers, overturning a 1992 decision that had required remote sellers to collect sales tax only when they had established a physical presence in the state (nexus).

Wisconsin has already reviewed their remote sellers law with regards to sales tax and issued an update stating, “Beginning October 1, 2018, Wisconsin will require out-of-state sellers with no physical presence in Wisconsin (remote sellers) to collect and remit sales or use tax on sales of taxable products and services into Wisconsin consistent with the United States Supreme Court's decision in *South Dakota v. Wayfair, Inc.*”

The technicality of nexus, which was keeping the reporting and distribution issues at bay with regards to Lodging Marketplaces now is removed. What’s next? We will have to wait and see if the language passed in ACT 59 requiring lodging marketplaces to register, collect and remit can be implemented as intended now that the Supreme Court has opened the door.

I am not comfortable with waiting and seeing if something develops with the new legislative session in January. I have drafted a letter to Representative Kitchens which should also go to Senator Frostman which again includes the proposed corrective definitions that were presented previously. I assume the WH&LA will issue interpretations on the State Statutory language as it becomes available. I have been keeping Attorney Vande Castle informed as well. I also propose trying to get a meeting arranged in person to discuss the issues with our local representatives – perhaps an Ad-Hoc Committee needs to be created to be available to meet and work towards a solution to the issue.

Opinion on Room Tax Taxable Services Attorney Van de Castle:

Attorney Vande Castle has provided the requested opinion on whether the taxable and non taxable items related to lodging for sales tax would be subject to the same interpretations for room tax. Attorney Vande Castle reviewed the same publication from the WI DOR, Publication 219.

Attorney Vande Castle sees no liability concerns with providing lodging providers with the sales tax taxability examples. He concluded in his opinion that until clarification is provided by either the state legislature or the courts as to what constitutes a taxable lodging service under the provisions of Sec.

66.0615, Stats., it is wholly logical to look to the conceptually related analogies found in the State Sales Tax. Whether the Commission provides those analogies to the lodging providers as a reference is wholly in the discretion of the Commission. The opinion in its entirety is at the back of this report.

October Meeting :

The meeting was scheduled for the Town of Jacksonport, but due to their construction we will not be able to hold the meeting there. The Town of Sevastopol has availability so I have moved the meeting location for the October 18th meeting. The updated schedule is included in the report.

Respectfully Submitted,



Kim Roberts, Administrator

REMOVED PROPERTIES 6/13/18 TO 7/12/18

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Nasewaupee	27-55-0379-00	6/18/18	Michalik's View	3715 Town Park Road	Joe Michalik	Long term rental.
Town of Baileys Harbor	02-55-0218-00	6/19/18	Sunset Shores Resort	7529S Kangaroo Lake Drive	Sunset Shores Resort	Owners Assoc requested individual permits for each unit. New permits were issued. for each individual owned cottage on property.
Village of Sister Bay	34-56-1770-00	6/20/18	Konowalksi at Open Hearth Lodge	2653 S Bayshore	Tirsh & Craig Konowalski	Property Sold.
Town of Gardner	39-56-0914-00	6/25/18	Little Sturgeon Vacation Rentals	357 & 3595 CTH CC	David Maccoux	Both Properties Sold.
Village of Egg Harbor	09-56-1545-00	6/25/18	The Pink House	4615 CTH T	Sandra DeLegge	Property Sold.
Town of Sevastopol	33-56-0927-00	6/28/18	Sturgeon Bay Chalet	3987 Glidden Dr	Mark and Judy Graham	No longer renting for now.
Town of Liberty Grove	32-53-1751-00	7/3/18	Dockside at Gills Rock	919 Cottage Row	Donald Erno	Property sold.
City of Sturgeon Bay	35-50-1035-00	7/5/18	Best Western Maritime Inn	1001 N 14 th Ave	Xenia Sturgeon Bay LLC	Property sold. New owner permitted 35-50-1966-00
Village of Ephraim	11-55-0118-00	7/5/18	Turner Cottage	2846 German Road	Judy & John Turner	No loner renting.
Town of Liberty Grove	32-56-1964-00	7/6/18	Grace Cottage	12068 Cedar Shore Road	Kevin & Darlene Schmidt	New owners – permitted just before closing – sale fell through current owner still permitted #1071
City of Sturgeon Bay	35-56-1730-00	7/12/18	The 930	930 N 4 th Ave	Rob Vogel	Admin Deact. Property sold 11/17 – confirmed sale – owner fails to submit form