



**Compliance: Late Letters Sent**

- The number of **May 2017** "No Reports" letters sent: Seventy eight (78) to owner managed properties as of 7/12/17.
  - Second notice was sent 7/25/17 to 28 properties.
  - As of 8/9/17 – Fifteen (15) remain to report.
  - As of 9/13/17 – Three (3) remain to report. The three remaining to report were referred to legal counsel on 9/8/17.
  - As of 10/11/17 – One (1) property remains to report.
- The number of **June 2017** "No Reports" letters sent: Fifty two (52) to owner managed properties as of 8/14/17.
  - Second notice was sent 8/24/17 to thirty one (31) properties.
  - As of 9/13/17 – Eleven (11) remain to report. A final notice with a deadline of 9/29/17 was mailed on 9/13/17.
  - As of 10/11/17 – Six (6) remain to report. All have been referred to legal counsel on 10/11/17.
- The number of **July 2017** "No Reports" letters sent: Sixty one (61) to owner managed properties as of 9/15/17.

**Unpaid tax/fees/penalties:** The total outstanding due as of 10/12/17 is: \$3,340.55 from twelve (12) permit holders. \$1,672.51 are ACH rejects– the majority of the outstanding balance is permit holders with settlement agreements.

First Notice	Second Notice	Third Notice	Attorney	Settlement/ Payment Plan	Collections
\$ 242.40		\$ 25.02		\$ 516.44	\$ 25.13
\$ 252.92				\$ 68.91	
\$ 25.87				\$ 868.43	
\$ 5.51					
\$ 876.37					
\$ 26.32					
\$ 25.14					
\$ 50.18					
\$ 17.85					
\$ 13.21					
\$ 300.85					
\$ 1,836.62	\$ -	\$ 25.02	\$ -	\$ 1,453.78	\$ 25.13
\$ 3,340.55	Total Outstanding				

- **Permits:** *Eleven (11) permits have been issued since September reporting –Three (3) or 27% due to compliance efforts.*
  - *Five (5) permits were issued during the same period of 2016*
  - *As of 10/12/17 there are 1072 permits.*
- *Town of Gibraltar – year round*
- *Village of Sister Bay – year round*

- Town of Gardner – year round
- Town of Gibraltar – year round
- Town of Gibraltar – year round
- Town of Liberty Grove – seasonal
- Town of Baileys Harbor- year round
- Town of Liberty Grove – seasonal
- Village of Sister Bay – year round – compliance
- Village of Ephraim – seasonal – compliance
- City of Sturgeon Bay – year round – compliance

• **Unpermitted Properties:** Eighteen (18) unpermitted properties that are advertising online or have contacted the office regarding permitting as of 10/12/17. Last year at this time I was working on nine (9) unpermitted properties.

- **VRBO/ Homeaway/ Vactionrentals.com :** Currently on VRBO there are 581 (580 last month) rentals and Homeaway has 524 (523 last month) as of 10/12/17. Of note, there are now multiple rental listings for Hotel, Motel, Inns and B&B’s which account for the large number of increase in listings.
- **Airbnb:** Currently on Airbnb there are 212 (202 last month) rentals listed for Door County. Currently there are five (5) unpermitted properties on Airbnb, two of which are timeshare weeks which are listed by a wholesaler that I have not been able to track down. The remaining three (3) unpermitted properties have been contacted via compliance efforts. As of October 12<sup>th</sup>, 2017 the breakdown of listings by municipality for Airbnb is as follows:

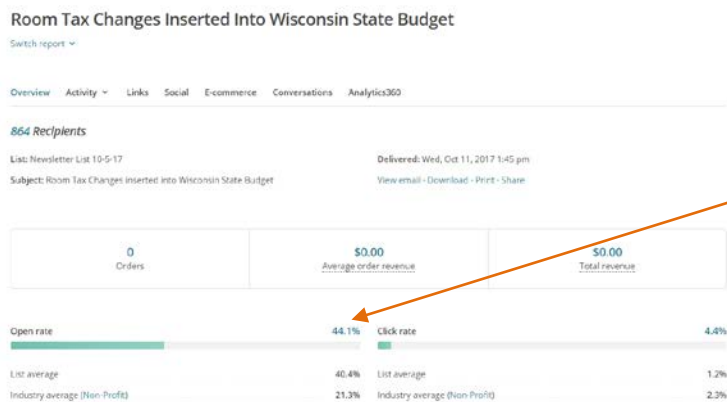
Muni Code	Muni Name	# of Airbnb Properties
2	Baileys Harbor	15
6	Clay Banks	2
8	Town of Egg Harbor	29
9	Village of Egg Harbor	22
11	Ephraim	6
12	Gibraltar	14
13	Village of Forestville	0
14	Town of Forestville	0
15	Jacksonport	6
27	Nasewaupee	8
32	Liberty Grove	25
33	Sevastopol	10
34	Village of Sister Bay	6
35	City of Sturgeon Bay	36
36	Town of Sturgeon Bay	8
39	Gardner	9
42	Union	2
46	Washington	14
<b>Door County Listings</b>		<b>212</b>
Not in Door County		12
<b>Total</b>		<b>224</b>

- The following listings are unpermitted on Airbnb:
  - Unpermitted Listing #1: #15062338 (compliance /timeshare- no leads)
  - Unpermitted Listing #2: #21201942 (compliance/timeshare – no leads)
  - Unpermitted Listing #3: #21287907 (compliance letter sent)
  - Unpermitted Listing #4: #20961541 (compliance letter sent)
  - Unpermitted Listing #5: #21230158 (compliance letter sent)

- **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are 221 rentals (212 last month). TripAdvisor pulls in Homeaway and VRBO listings as channel partners. All are permitted.
  - **Vacationhomerentals.com:** (part of TripAdvisor) has 5 (5 last month) Door County listings which are all permitted.
- **Flipkey:** There are 44 listings (44 last month) for Door County. All are permitted.
- **Facebook:** I have been monitoring various pages on Facebook. Currently I am working on 7 (1 last month) un-permitted properties via Facebook.
- **Craigslist :** I am currently working on 1 unpermitted property found via Craigslist.
- **Evolve Vacation Network:** There are two properties listed through Evolve – both are permitted.
- **Homeescape:** There are three (3) properties for Door County all of which are permitted.
- **Glampinghub:** There are eighteen (18) properties for Door County all of which are permitted.
- **Avroa.org:** Has one (1) Door County Listing, which is permitted.
- **Vacationstayz.com:** No Door County properties as of yet.
- **Homestay.com:** No Door County properties as of yet.
- **Tripping.com and Hometogo.com** Pulls from Channel Partners such as :
- Everystay.com, Vacasa.com, Innclusive.com, Kid&Coe.com, Plansmatter.com and Overnight.com are all sites to watch that currently have no Door County rentals but are gaining popularity as alternatives to VRBO and Homeaway.

#### Other news:

- **Legislative Developments:** There has been a lot of activity on the Legislative front with the budget nearing completion and the insertion of motions that contain legislation that would have an impact on short term rentals and the collection/distribution of room tax. It is a separate agenda item, but there has been a lot of activity in the Tourism Zone office to track down information, write letters to local representatives, joint finance committee members and municipalities. Additionally, an email went to permit holders (at the back of the report) and a hard copy letter went to all the Town Board Chairs and Town Board Clerks.



Email to permit holders regarding the room tax changes inserted in to Wisconsin State Budget had a 44.1% open rate

- **Tourism Zone Newsletter – Issue #2 October 2017:** The second newsletter of 2017 was emailed on 10/6/17. Previously we mailed a printed version of the newsletter, however there were multiple comments as of a result of the 2017 survey that showed permit holders preferred the newsletter to be emailed. I can include much more information with an email version of the newsletter through links and the layout is much better.

0 Orders	\$0.00 Average order revenue	\$0.00 Total revenue
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Open rate	41.2%	Click rate	1.2%
List average	0.0%	List average	0.0%
Industry average (Non-Profit)	21.3%	Industry average (Non-Profit)	2.3%

354 Opened	10 Clicked	26 Bounced	0 Unsubscribed
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Successful deliveries	860	97.1%	Clicks per unique opens	2.8%
Total opens	697		Total clicks	31
Last opened	10/10/17 8:29AM		Last clicked	10/8/17 8:31PM
Forwarded	0		Abuse reports	0

The open rate as of 10/10/17 was 41.2% (industry average is 21.3%)

**Top links clicked**

<a href="http://doorcountytourismzone.com/uploads/ckfiles/files/ZONE%20Annual%20Meeting%20Presentation%202017%20-FINAL%206-7-17with%20DCVB(1).pdf">http://doorcountytourismzone.com/uploads/ckfiles/files/ZONE%20Annual%20Meeting%20Presentation%202017%20-FINAL%206-7-17with%20DCVB(1).pdf</a>	27
<a href="http://doorcountytourismzone.com/reporting/admin-monthly-report">http://doorcountytourismzone.com/reporting/admin-monthly-report</a>	3
<a href="http://doorcountytourismzone.com/uploads/ckfiles/files/2016%20Door%20County%20Tourism%20-%20FS.pdf">http://doorcountytourismzone.com/uploads/ckfiles/files/2016%20Door%20County%20Tourism%20-%20FS.pdf</a>	1
<a href="http://www.doorcountytourismzone.com">http://www.doorcountytourismzone.com</a>	0
<a href="http://doorcountytourismzone.com/uploads/ckfiles/files/ZONE%20Annual%20Meeting%20Presentation%202017%20-FINAL%206-7-17with%20DCVB">http://doorcountytourismzone.com/uploads/ckfiles/files/ZONE%20Annual%20Meeting%20Presentation%202017%20-FINAL%206-7-17with%20DCVB</a>	0

- A lodging provider called on October 11<sup>th</sup>, 2017 and expressed that there should be renewed focus put on the rebate of credit card fees for lodging providers collecting room tax. She stressed that only lodging providers have the burden of the extra cost of collecting room tax. The lodging provider feels that something should happen locally to put pressure on getting something done at the State level.
  - She has requested that we send out an email to gauge other lodging providers opinion on the matter. I explained that we asked this very question with the distribution of the 2016 survey. She feels that it should be done again.
  - **This was the question from the survey:**

**Would you be in support of the Door County Tourism Zone Commission exploring options to refund lodging providers a certain percentage of credit card fees as a marketing credit?**

- **And the results were:**
  - Permit holders stated they are unhappy paying the credit card fees. However, when asked if they were in support of returning a percentage of credit card fees as a marketing credit, 42% said “yes”, 18% said “no”, and 40% were “not sure.” (With 73 people skipping this question, there is a possibility they did not have enough information on what a “marketing credit” entails.)

Respectfully Submitted,  
Kim Roberts  
Administrator

Removed Properties 9/15/17 to 10/12/17

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Egg Harbor	08-53-1685-00	9/25/17	Landmark Scott #4105	4929 Landmark Drive #4105	Dan and Linda Scott	Only owner occupied.
Village of Sister Bay	34-56-1392-00	9/25/17	Marina View	10722 Bay Shore Drive	Candace Church	Sold.
Village of Ephraim	11-53-1535-00	9/25/17	Ephraim Yacht Harbor – Reince	10066 Water St #7	Michael Reince	No longer renting.
City of Sturgeon Bay	35-54-0827-00	9/25/17	Inn at Cedar Crossing	336 Louisiana	Stephen and Kelly Hellemann	Property sold 9/1/17.
Village of Ephraim	11-53-1728-00	9/25/17	Anderson House Condo Moretti	9976 Moravia	Donna and Tom Moretti	Changed minds and decided not to rent.
Town of Liberty Grove	32-56-0443-08	9/25/17	Wagon Trail #20	1058 Wagon Trail	Kurt and Peggy Spiegl	Sold. New owner permit number 32-56-1786-08

**Municipal Letter Regarding Budget Motion:**

Dear Member Municipality,

On Thursday September 25, 2017 the Wisconsin State Budget for 2017-2019 was signed by Governor Walker. Inserted into the budget was a motion for Lodging Marketplace Tax Collections which could potentially impact the way residential room tax is collected and distributed in Door County. While we fully support that short term rentals should abide by all state and local requirements, we feel that the language in the motion that provides a new regulatory structure for short term rentals should have been more thoroughly vetted before being made into law.

The motion includes the following language:

***Lodging Marketplace Tax Collections:***

*Require a lodging marketplace to register with the Department of Revenue (DOR), on forms prepared by the Department, for a license to collect taxes imposed by the state related to a short-term rental and to collect room taxes imposed by a municipality.*

*Require a lodging marketplace, after applying for and receiving a license, to do all of the following if a short-term rental is rented through the lodging marketplace;*

- (a) collect sales and use taxes from the occupant and forward such amounts to DOR,*
- (b) if the rental property is located in a municipality that imposes a room tax, collect the room tax from the occupant and forward it to the municipality, and*
- (c) notify the owner of the rental property that the lodging marketplace has collected and forwarded to DOR the sales and room taxes described in (a) and (b).*

*Specify that a municipality would not be allowed to impose and collect a room tax from the owner of a short-term rental if the municipality collects the room tax on the residential dwelling from a lodging marketplace. These provisions would first apply to a lodging marketplace that registers with DOR on the effective date of the budget bill.*

***Prohibit Limits on Residential Dwelling Rentals:***

*Specify that a political subdivision would not be allowed to enact an ordinance that would prohibit the rental of a residential dwelling for seven consecutive days or longer. Allow a political subdivision to limit the total number of days within any consecutive 365- day period that the dwelling may be rented to no fewer than 180 days, if a residential dwelling is rented for periods of more than six but fewer than 29 consecutive days.*

*Specify that the political subdivision could not specify the period of time during which the residential dwelling may be rented, but the political subdivision may require that the maximum number of allowable rental days within a 365-day period must run consecutively.*

*Require a person who rents the person's residential dwelling to notify the clerk of the political subdivision in writing when the first rental within a 365- day period begins. Require any person who maintains, manages, or operates a short-term rental, for more than 10 nights each year, to:*

*(a) obtain from the Department of Agriculture, Trade and Consumer Protection a license as a tourist rooming house, as defined in s. 97.01(15k), and*

*(b) obtain from a political subdivision a license for conducting such activities, if a political subdivision enacts an ordinance requiring such a person to obtain a license.*

*Specify that if a political subdivision has in effect on the effective date of the bill, an ordinance that is inconsistent with this provision, the ordinance would not apply and could not be enforced.*

*Specify that none of these provisions would limit the authority of a political subdivision to enact an ordinance regulating the rental of a residential dwelling in a manner that is not inconsistent with this provision.*

***Definitions.***

*Define the following:*

*(a) a "lodging marketplace" to mean an entity that provides a platform through which an unaffiliated third party offers to rent a short-term rental to an occupant and collects the consideration for the rental from the occupant;*

*(b) a "short-term rental" to mean a residential dwelling that is offered for rent for a fee and for fewer than 29 consecutive days;*

*(c) an "occupant" to mean a person who rents a short-term rental through a lodging marketplace;*

*(d) an "owner" to mean the person who owns the residential dwelling that has been rented;*

*(e) a "residential dwelling" to mean any building, structure, or part of the building or structure, that is used or intended to be used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, to the exclusion of all others; and*

*(f) a "political subdivision" to mean any city, village, town, or county.*

While it is too early to know what the specific changes and what the consequences will be to how the Door County Tourism Zone operates with regard to the collection and distribution of room tax, we want you to be aware of the law and how the Tourism Zone plans to handle the obstacles that will result from the motion.

Our main concern is that from our discussions with Airbnb, we have been advised that their programming utilizes zip code data for the disbursement of room tax revenues. We have explained that the room tax revenue needs to be distributed back to the municipality in which it was collected, and that zip codes cover multiple municipalities.

We have reached out to the Wisconsin Department of Revenue, Office of the Secretary and the Office of the General Council to explain the impending issues for a Tourism Zone and how the lack of technology for lodging marketplaces will impact the correct distribution of room tax back to municipalities.

Our goal is to have a voice in the rules and regulations as they are written by the WDOR. We also will continue to keep the flow of information to the municipalities and their town boards so that everyone involved is informed.

**Most importantly, we ask that if you hear from a lodging marketplace, please direct them to the Tourism Zone Commission.**

Please don't hesitate to call or email the Tourism Zone office with questions or concerns.

Sincerely,



Josh Van Lieshout  
Chair, Door County Tourism Zone Commission  
Administrator, City of Sturgeon Bay

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**Permit Holder Email:**

Dear Permit Holder,

We've heard from many permit holders who have read the article in the Peninsula Pulse, "Room Tax Changes Could Complicate Municipal Payment". There remains much uncertainty about how the approved motion will change room tax collection and remittance in Door County. Many of you have asked for more information to be sent out about the motion and what you can do as a permit holder.

On Thursday September 25, 2017 the Wisconsin State Budget for 2017-2019 was signed by Governor Walker. Inserted into the budget was a motion for Lodging Marketplace Tax Collections which could potentially impact the way residential room tax is collected and distributed in Door County. While we fully support that short term rentals should abide by all state and local requirements, we feel that the language in the motion that provides a new regulatory structure for short term rentals should have been more thoroughly vetted before being considered. To read the full motion, please refer to item 13.

As a Tourism Zone in the State of Wisconsin, there is one aspect of this motion that is not being considered. The Door County Tourism Zone represents all nineteen municipalities of Door County. If a "lodging marketplace" is distributing the room tax back to the Tourism Zone in one lump sum with no identifying information, we will have no way to remit the correct amounts back to the municipalities for which the tax was collected in.

As you may recall, Door County had contacted Airbnb in July when they began collecting Room Tax in Door County due to their programming error. We learned that their method for distributing collected room tax is done by zip code, which rarely align with municipal boundaries. Municipalities have multiple zip codes, for example, 54235 encompasses all or part of the Town of Jacksonport, the City of Sturgeon Bay, the Town of Sturgeon Bay and the Town of Sevastopol. We feel it is unfair to our municipalities to expect that the 30% be divided back to municipalities equally. It should be distributed based on actual collections within each municipality as per the State Statute 66.0615 and our local agreements with our municipalities.

Further, the motion is problematic on several fronts: First, the local ordinances that impose the Room Tax require that the Tourism Zone collect and distribute the tax that is generated within that municipality. Second, the Wisconsin State Statute requires that 30% of the Room Tax collected be remitted to the municipality in which it was collected in. Without specific information submitted from a lodging marketplace (Airbnb, VRBO, etc.) the Tourism Zone would not be able to comply with the State Statute. Finally, there are issues with transparency. There will be no way for a municipality to know which properties are permitted, renting and paying room tax without an audit provision. Moreover, with ten years of lodging statistics, there are no provisions that would maintain the current data each lodging provider submits with their room tax report. This data is valuable in aiding with marketing decisions in addition to gauging the effectiveness of the Destination Marketing Strategic Plan.

We've heard that there is a possibility of a cleanup motion. This motion needs to have language that requires "lodging marketplaces" to match up local registration with their listing identifications so that the correct accounting of room tax distribution can occur. This level of transparency has to be in place so that our municipalities have the necessary information for their own audit practices as well. We believe municipalities deserve the correct distribution of room tax money back to their community. Do you know how your community uses room tax? "How room tax is used".

Many of you have asked what you can do. We suggest as a permit holder of the Door County Tourism Zone you reach out to your local representatives and let them know you oppose this motion without language to address a Tourism Zone Commission and the distribution of room tax based on the actual tax collected within the municipality. Ask that your local representative work towards a cleanup bill that addresses the lack of technology to appropriately distribute room tax back to the municipality in which it was collected in.

Below is the contact information for your local representatives:

**Senator Frank Lasee:**

Sen.Lasee@legis.wisconsin.gov (mailto:Sen.Lasee@legis.wisconsin.gov)

**Representative Joel Kitchens**

Rep.Kitchens@legis.wisconsin.gov (mailto:Rep.Kitchens@legis.wisconsin.gov)

Feel free to contact the Tourism Zone Administrator, Kim Roberts, if you have any questions. As more information becomes available we will continue to reach out to permit holders.

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### **State Room Tax Changes Could Complicate Municipal Payment**

By [Jackson Parr](#), [Peninsula Pulse](#) – September 29th, 2017

When Gov. Scott Walker signed the 2017-19 biennial state budget on Sept. 21, it included a provision that will change the way room tax is collected for lodging websites such as Airbnb and Vacation Rental By Owner (VRBO). The changes could make a municipality's room tax revenue in Door County difficult to determine.

These websites, which the state calls lodging marketplaces, must now register with the Department of Revenue (DOR) and collect room tax dollars when they receive payment for the vacation rental.

Josh Van Lieshout, chair of the Door County Tourism Zone Commission (DCTZC) and Sturgeon Bay city administrator, said the new process is cause for concern depending on how these lodging marketplaces record data on the rentals. Although the state law dictates lodging marketplaces must collect applicable room tax and send it back to the municipality, the effectiveness of that provision hinges on the way these marketplaces collect data on their rentals.

"The issue we have with this is, depending on how the information is recorded to the state and remitted to the tax agency depends in a large part on how the lodging marketplaces collect their own information," said Van Lieshout. "How do we know who's share of the room tax goes where?"

Members of the DCTZC expressed concern that groups such as Airbnb collect geographic data based on zip codes, which rarely line up with municipal lines.

Commission member Elizabeth Le Clair noted that Jacksonport is made up of three different zip codes which also stretch into surrounding municipalities. If a tourist stays in a hotel that is in the Town of Jacksonport, but is in a zip code shared with other municipalities, it may not be possible to track where the room tax revenue from that unit rental should go.

Jack Money Penny, executive director of the Door County Visitor Bureau, explained that the budget item was widely popular because room tax collections from companies such as



Airbnb and VRBO were falling through the cracks in other cities across the state. The new law will lift the burden off of the local municipality to enforce its room tax laws on these rentals and shift that burden to the state and to the lodging marketplaces.

Money Penny said the City of Madison, which did sign a separate agreement with Airbnb to have the company collect room tax and forward payment to the city, recently got an \$85,000 check from such rentals without any additional work by the city.

But since Kim Roberts, DCTZC administrator has spent many hours searching for these properties and bringing them into compliance resulting in near full contribution of lodging marketplace properties with local room tax ordinances, there was hardly any money falling through the cracks. Instead, the new provision will complicate the logistics of administering room tax dollars to the correct municipalities.

According to the DCTZC, lodging marketplaces will be required to sign agreements with all 19 Door County municipalities who collect room tax. The DCTZC is suggesting each municipality specify how data will be collected on room tax collections before signing the agreement.

"When [lodging marketplaces] come to Jacksonport (or any municipality) to sign an agreement... it's up to the board to negotiate with them that we want to see full transparency, where the dollars come from," said Money Penny.

Commission member Bill Weddig suggested putting together a short manual for lodging operators and rental owners on the changes and how a municipality should negotiate an agreement.

Van Lieshout was not confident in the power of small Door County municipal boards against the multinational corporations.

"I have very little confidence that outside of perhaps Madison, Green Bay, Milwaukee, any community will have much success in changing these agreements with Airbnb," said Van Lieshout. "Our next plan of strategy is to try to get a seat at the rulemaking table with the Department of Revenue and pull them along with these issues. I don't have a lot of confidence with our ability to do that either but we need to make an attempt to do that."

There are currently 580 Door County rental units on VRBO and 202 on Airbnb, although the numbers could be misleading because hotels can post their units on VRBO and many lodging operators post their rentals on multiple lodging marketplaces, leading to multiple listings for a single rental unit.