



DOOR COUNTY TOURISM ZONE COMMISSION
 Administrator's Report
 OCTOBER 2018

Compliance: Late Letters Sent

2018

- 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.
 - As of 8/8/2018 there are two (2) properties to report.
 - As of 9/12/18 there is one (1) property to report.
 - As of 10/10/18 there is one (1) property to report – with legal counsel.
- The number of **May 2018** "No Reports" letters sent: Seventy three (73) to owner managed properties on 7/11/18.
 - As of 8/7/2018 there are nine (9) properties to report.
 - As of 9/12/18 – there are three (3) properties to report.
 - As of 10/10/18 – there are two (2) properties to report – one (1) with legal counsel.
- The number of **June 2018** "No Reports" letters sent: Sixty three (63) to owner managed properties on 8/14/18
 - As of 9/12/18 – there are eighteen (18) to report.
 - As of 10/10/18 – there are four (4) to report – final deadline was 9/25/18. These will be referred to legal counsel this week.
- The number of **July 2018** "No Reports" letters sent: As of 9/12/18 there are sixty nine (69) owner managed properties and twelve (12) agent managed properties that need to file. The total combined that need to report for agents and owner managed properties of eighty - one (81).
 - As of 10/10/18 – there are eleven (11) properties to report.
- The number of **August 2018** "No Reports" letter sent: Sixty eight (68) to owner managed properties on 10/12/18.

Unpaid tax/fees/penalties: The total outstanding due 10/10/18 is: \$1,880.47 from sixteen (16) permit holders.

First Notice	Second Notice	Third Notice	ACH REJECT	Attorney	Settlement/ Payment Plan	Collections
\$ 6.59	\$ 27.88	\$ 21.80	\$ 79.24		\$ 716.79	\$ 26.23
\$ 7.11	\$ 25.11	\$ 9.06			\$ 110.00	
\$ 23.56	\$ 25.69	\$ 25.23			\$ 323.67	
\$ 18.15	\$ 25.39	\$ 1.46			\$ 360.19	
\$ 20.37		\$ 7.60				
\$ 18.84		\$ 0.51				
\$94.62	\$104.07	\$65.66	\$79.24	\$0.00	\$1,510.65	\$26.23
\$1,880.47	Total Outstanding					

- **Permits:** As of 10/9/18 – Fourteen (14) permits were issued – seven (7) were permitted as a result of compliance efforts.
 - Eleven (11) permits were issued during the same period of 2017
 - As of 10/9/18 there are 1174 permits

- Unpermitted Listing #3: #27284807 – Meadow Ridge – NO LEADS
 - Unpermitted Listing #4: #28127081 – Compliance letter sent 8/31 and 9/12/18
 - Unpermitted Listing #5: #2892648 – Compliance letter sent 10/9/18
 - Unpermitted Listing #6 - #27786823 – working with Chair
 - Unpermitted listing #7: #28416543 – also on VRBO (see letter dates)
- ✓ **Facebook** – There is one (1) property that is in the compliance process from Facebook.
 - ✓ **Craigslist** – There is currently one (1) listing unpermitted on Craigslist. I have been unable to locate the owner information.
 - ✓ **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are 42 rentals (55 rentals last month). Flipkey has 60 listing (57 listings last month) for Door County. All are permitted.

Other news:

WI DOR – Public comments: I have submitted the memo that was emailed out to the board. It has been submitted twice to the WI DOR (for different comment opportunities). We will have one more opportunity to submit in November. I also sent two (2) emails to municipalities requesting a letter of support; I provided them with our Public Comment in Word Format so they could make easy adjustments and email their own Public Comment. To date, I have only heard that the Town of Sevastopol, Town of Baileys Harbor and the Town of Jacksonport have submitted Public Comment.

Response from WI DOR to questions:

Haines, Rebecca L - DOR
to me ▾

Oct 1 (9 days ago) ☆

Hi Kim,

Thank you for the additional information.

After reviewing the information you sent, I believe you are seeking clarification on the first bullet under "The Good News" in the recent email from the Wisconsin Hotel & Lodging Association.

The Wayfair decision does not change the treatment of lodging by online lodging providers, such as Airbnb, for taxes administered by the Wisconsin Department of Revenue. Since September 23, 2017, sec. 66.0615(5), Wis. Stats., requires a lodging marketplace to register for a lodging marketplace license if it 1) provides a platform through which others offer to rent short-term residential lodging and 2) collects consideration from the occupant for the rental. Under this provision, after receiving a lodging marketplace license, the lodging marketplace must:

- Register for a Wisconsin seller's permit if it does not have one.
- Collect Wisconsin sales or use taxes from the occupant and forward to the department.
- Contact each Wisconsin municipality in which it makes short-term rentals to determine if additional registration is required.
- Collect applicable Wisconsin municipal room taxes from the occupant and forward to the municipality.
- Notify the owner of a short-term rental that it has collected and forwarded the tax.

As you know, the above requirements apply to short-term residential lodging. The department recently sent letters to many companies that have websites known to furnish short-term residential lodging in Wisconsin, informing them that they are required to register with the Wisconsin Department of Revenue for a lodging marketplace license.

However, the *Orbitz* decision, still applies. In the *Orbitz* decision, the traveler paid Orbitz, an online travel company, for short-term lodging. It was determined that the portion Orbitz kept for its services, was not subject to tax because Orbitz was not "furnishing" lodging and therefore, was not providing a taxable service. Remote sellers are required to remit sale or use tax on sales of *taxable* products and services in Wisconsin as of October 1, 2018. However, an online travel company's charge for their services related to commercial lodging (e.g., selling rooms for hotels or motels) is not subject to sales tax if the lodging marketplace is not "furnishing" the lodging.

We discussed concerns municipalities have with the current lodging marketplace law (e.g., how to verify room tax is reported to the appropriate municipality) and if there was language that might improve this process. You also mentioned coordinating discussions with other municipalities for whom Airbnb already collects room tax. However, these are areas that affect municipal room tax law, rather than sales and use tax law administered by the department.

Becky Haines, Tax Specialist
Wisconsin Department of Revenue
(608) 261-5282
Rebecca.Haines@wisconsin.gov

Additional notes from phone call 9/28/18 – Lodging Marketplaces have received notification of the requirement to register as a Lodging Marketplace. The WI DOR does not know what to expect and if they will comply. There are no penalties for not registering and the WI DOR has no authority to enforce. She added that we were right that the Emergency rule does not discuss room tax. While she said that it would be helpful for us to suggest way to fix, the WI DOR doesn't have the authority to make any changes.

- **Towns Association Meeting** – We are on the agenda for the November 15th, 2018 meeting of the Door County Unit to discuss legislative issues.
- **Green Bay Room Tax Commission** – We are on the agenda for the October 17th, 2017 meeting of the Green Bay Room Tax Commission. They are continuing to take steps to follow our model and it is an opportunity to discuss legislative issues.
- **Financial Policy and Under-reporting Policy** –
 - Under-reporting Policy: I am in the middle of a compliance case that is going to court – I would like to wait until I am through the process to document the process to finalize the Policy and request approval at the December full Commission. There are many steps and details, I don't want to rush into approving a policy and miss anything. It is a work in progress.
 - The Financial Policy details are still being worked on. Legislative issues and presentations power points have taken priority along with RFI's. I hope to have this also for the December Full Commission meeting.

By Property Report:

August 2018					
Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel	\$3,875,740.54	35,946	26,935	74.93%	\$143.89
Resort	\$7,783,625.58	52,282	38,403	73.45%	\$202.68
Inn	\$714,206.13	6,181	4,382	70.89%	\$162.99
Total Commercial	\$12,373,572.25	94,409	69,720	73.85%	\$177.48
Condo	\$1,194,184.90	8,228	5,846	71.05%	\$204.27
Bed & Breakfast	\$475,010.50	3,499	2,296	65.62%	\$206.89
Cottage/House/Cabin (55)	\$946,737.74	8,239	5,224	63.41%	\$181.23
Cottage/House/Cabin (56)	\$3,511,473.46	20,462	12,999	63.53%	\$270.13
Other	\$66,933.45	1,175	557	47.40%	\$120.17
Total Non-Commercial	\$6,194,340.05	41,603	26,922	64.71%	\$230.08
TOTALS	\$18,567,912.30	136,012	96,642	71.05%	\$192.13

August 2017					
Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel	\$ 3,800,823.50	36810	27724	75.32%	\$137.10
Resort	\$ 7,438,028.11	55678	40395	72.55%	\$184.13
Inn	\$ 659,821.94	6405	4282	66.85%	\$154.09
Total Commercial	\$ 11,898,673.55	98893	72401	73.21%	\$164.34
Condo	\$ 1,122,808.30	8194	5691	69.45%	\$197.30
Bed & Breakfast	\$ 474,998.97	3671	2366	64.45%	\$200.76
Cottage/House/Cabin (55)	\$ 1,042,657.60	9931	5880	59.21%	\$177.32
Cottage/House/Cabin (56)	\$ 2,793,405.20	16694	10857	65.04%	\$257.29
Other	\$ 69,795.71	1392	694	49.86%	\$100.57
Total Non-Commercial	\$ 5,503,665.78	39882	25488	63.91%	\$215.93
TOTALS	\$ 17,402,339.33	138,775	97,889	70.54%	\$177.78
* not year end re-run					

Analysis * these are at month end reports not year end re-run comparison					
Type	Diff YOY \$	DIFF UNITS	DIFF FILLED	DIFF OCCUP	DIFF ADR
Hotel/Motel	\$74,917.04	-864	-789	-0.39%	\$6.79
Resort	\$345,597.47	-3,396	-1,992	0.90%	\$18.55
Inn	\$54,384.19	-224	100	4.04%	\$8.90
Total Commercial	\$474,898.70	-4484	-2681	0.64%	\$13.13
Condo	\$71,376.60	34	155	1.60%	\$6.97
Bed & Breakfast	\$11.53	-172	-70	1.17%	\$6.13
Cottage/House/Cabin (55)	(\$95,919.86)	-1692	-656	4.20%	\$3.91
Cottage/House/Cabin (56)	\$718,068.26	3768	2142	-1.51%	\$12.84
Other	(\$2,862.26)	-217	-137	-2.46%	\$19.60
Total Non-Commercial	\$690,674.27	1721	1434	0.80%	\$14.15
TOTALS	\$ 1,165,572.97	-2,763	-1,247	0.52%	\$14.35

*Notes: Code 55 is the older homes – decreased numbers because some of the older permits have closed or sold their properties.

- o The Hotel/Motel (50) has four properties to report.
- o The Resort (51) category still has 3 larger properties to report
- o The Inn (52) category still has two properties to report.
- o The Bed and Breakfast (54) has one property to report
- o 55 has five still to report
- o 56 has 47 still to report



Kim Roberts, Administrator

REMOVED PROPERTIES 9/13/18 TO 10/9/18

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Washington	46-56-0704-00	9/17/18	Janlin Junction	2340 Green Bay Road	Kim Radtke	Property Sold.
Town of Jacksonport	15-56-1784-00	9/17/18	Paradise on the Beach	6368 STH 57	Jean Kapolnek	Decided not to rent.
Town of Nasewaupee	27-56-1393-00	9/17/18	Tranquility Acres	6683 CTH C	Delores Phillips	No longer renting – primary residence.
Town of Sevastopol	33-55-0262-13	9/18/18	Sandy Bay Shore Cottages	4665 Bay Shore Drive	Mark Peters	Property Sold.
Town of Gibraltar	12-56-1785-02	9/18/18	Orchard Cottage	4224 CTH EE	Madeline Harrison	Property sold.
Town of Sevastopol	33-56-1053-12	9/21/18	Tinti Home	5403 Bay Shore Drive	Dan Tinti	No longer renting – primary residence.
Village of Egg Harbor	09-59-1704-00	9/25/18	Meadow Ridge Streckenbach	7573 Meadow Ridge Rd	Mike & Connie Streckenbach	Paid to turn unit back to Meadow Ridge – walk away.
Village of Ephraim	11-53-1790-00	9/25/18	Ephraim Yacht Harbor ENgebos	10069 Moravia Lane #20	Clyde Engebos	No longer renting.
Town of Egg Harbor	08-53-1671-00	10/9/18	Landmark Resort – Island Winds LLC	4908 Landmark Circle #1307	Kristin Van Drisse	Property Sold.