



2020 "NO REPORTS":

- The number of **January 2020** "No Reports": On 3/10/2020 there were eighty-three (83) owner-managed properties.
 - A final notice was sent 3-31-2020 to twenty-eight (28) permit holders.
 - As of 9/10/2020 there is one (1) property that remains to report for January 2020.
- The number of **February 2020** "No Reports": As of 4/8/2020 there are eighty-one (81) owner-managed properties and eleven (11) agent-managed properties to report for a grand total of ninety-two (92) properties to report. The first notice was mailed on 4/8/2020.
 - As of 9/10/2020 there is one (1) property that remains to report for February 2020.
- The number of **March 2020** "No Reports": As of 5/14/2020 there are sixty-five properties to report. The first notice went out on 5/14/2020.
 - As of 9/10/2020 there is one (1) property that remains to report for March 2020.
- The number of **April 2020** "No Reports": As of 6/9/2020 there are seventy-six (76) owner-managed properties to report. There were eight (8) agent managed properties that still require reporting. Eighty-four (84) total for the month of April at first run. The first notice went out on 6/9/2020.
 - As of 8/7/2020 – there are three (3) properties that remain to report, all of which have been referred to legal counsel.
 - As of 9/10/2020 there is one (1) property that remains to report for April 2020.
- The number of **May 2020** "No Reports": As of 7/8/2020 there are one hundred forty-two (142) owner-managed properties to report. There were thirty-four (34) agent managed properties that still require reporting. One hundred seventy-six (176) total for the month of May at first run. The first notice went out on 7/10/2020.
 - As of 9/10/2020 there are fifteen (15) properties that remains to report for May 2020 – with legal counsel.
- The number of **June 2020** "No Reports": As of 8-9-2020 there are one hundred twenty-four (124) properties to report for June 2020. The first notice went out on 8-11-2020. The final notice went out on 9-8-2020.
 - As of 9/10/2020 there are forty-five (45) properties that remains to report for June 2020. All these properties received the final notice with a deadline.
- The number of **July 2020** "No Reports": As of 9-10-2020 there are one hundred twenty-eight (128) properties to report for July 2020. The first notice will go out on 9-11-2020.

UNPAID TAX/FEES/PENALTIES: The total outstanding due 9/10/2020 is: \$3,255.00 from six (6) permit holders.

	First Notice	Second Notice	Third (Final) Notice	Collections	Attorney	
	\$ 25.18			\$ 43.91	\$ 56.99	
	\$ 41.13				\$ 503.01	
	\$ 57.75				\$ 416.17	
	\$218.87				\$ 413.54	
	\$ 20.85				\$ 263.57	
	\$ 46.66				\$ 261.50	
					\$ 259.56	
					\$ 257.49	
					\$ 246.40	
					\$ 122.42	
						Total Due
						\$ 3,255.00
TOTALS	\$ 410.44	\$ -	\$ -	\$ 43.91	\$ 2,800.65	

PERMITS: As of 9/10/2020 – Thirteen (13) permits were issued – Four (4) were permitted because of compliance efforts.

- 21 permits were issued during the same period of 2019
 - As of 9/10/2020 there are 1281 permits
 - Property Type Codes: (50) Hotel/Motel, (51) Resort, (52) Inn, (53) Condo, (54) B&B, (56) Cottage/Cabin/Home, (59) Other.
1. Town of Liberty (56) – year-round
 2. Village of Ephraim (56) – seasonal
 3. Town of Liberty Grove (56) – year-round
 4. City of Sturgeon Bay (56) – year-round – compliance
 5. Town of Baileys Harbor (56)- year-round – compliance
 6. Village of Sister Bay (56) – year-round - compliance
 7. Town of Liberty Grove (56) – year-round
 8. Village of Sister Bay (56) – year-round
 9. Town of Liberty Grove (56) – year-round
 10. City of Sturgeon Bay (56) – year-round – compliance
 11. Town of Jacksonport (56) – year-round
 12. Village of Sister Bay (56) – year-round – compliance
 13. City of Sturgeon Bay (54) – year-round

UNPERMITTED PROPERTIES:

Facebook as of 9/10/2020:

- 1) 7585 Meadow Ridge – compliance letter sent 9-8-2020 (Door County Vacation Rentals Group)
- 2) FB Marketplace Listing for the Rushes - <https://www.facebook.com/marketplace/item/2732606987024875>

VRBO as of 9/10/2020:

The following are unpermitted properties utilizing the VRBO platform:

- 1) VRBO #9446905ha – compliance letter sent 9-8-2020

Airbnb as of 9/10/2020:

The following are unpermitted properties utilizing the Airbnb platform:

- 1) Airbnb 23008138 – unable to locate owner - wholesaler
- 2) Airbnb 37886362– unable to locate owner - wholesaler
- 3) Airbnb 23709001– unable to locate owner – wholesaler
- 4) Airbnb 43553677 – compliance letter sent 6-10-2020 and 7-8-2020 (deactivated from Airbnb as of 7/21/2020)
- 5) Airbnb 15062338 – unable to locate owner – wholesaler
- 6) Airbnb 44168543 – Compliance email sent 7-20-2020, 8-31-2020 and 9-8-2020 (final)owner attempted to send in permit via email but was blank.
- 7) Airbnb 44072623 – compliance email sent 7-21-2020 (current permit holder for other properties- as of 8/13/2020 removed, property is not yet built – advertised with architectural renderings)
- 8) Airbnb #43870888 – compliance letter sent 9-8-2020

Note: The monthly audits of Airbnb and VRBO will now be done quarterly. I will be reviewing each platform at least once a week for new unpermitted properties, but I can no longer dedicate the time needed to complete these audits monthly as a result of increasing workload requirements due to 2019 WI ACT 10.

Cover Letter to Permit Holders for Approval to email out Marketplace Guide: Please see draft cover letter at the back of the report. I have added the link to the guide to the email signature as well as posting it on the website, however I need an approved communication to send it out to all permit holders.

Consideration of updating Payment Policy and Procedure: This is a first draft of an updated payment policy and procedure. It has not been updated since 2014 and given the new environment created by 2019 WI ACT 10 there is a lot that needs to be updated. I'd like to use the input from the Executive Committee, make any

necessary adjustments and then bring it back for full approval at the Full Commission meeting in October. Please find the original, approved version and the proposed, updated document at the back of this report.

ADR: As a reminder, when we look at the monthly ADR's, remember that as of 1/1/2020 per WI ACT 10, the traveler service fee is now taxable and becomes part of the lodging total with sales that are facilitated by a Marketplace Provider. In turn, this increased taxable item reflects in a higher average daily rate as we move forward. It is important to recognize this as we review metrics and DDC performance.

Discussion and consideration of lodging tax revenue and operations: There was a request to provide a review of the DCTZC budget year to date, an Administrative Assistant job description, and cost analysis of adding an employee. While I believe current financials will not allow for the addition of an employee, I am providing the information as requested at the back of my report.

Deactivated Permits through 8-14-2020 through 9-10-2020:

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Jacksonport	15-56-0388-00	8-17-2020	The Stuga Cottage	3562 Clark Lake Court	Dave and Lynn Swanson	Property sold. New owner permit #2031
Town of Baileys Harbor	02-56-1983-00	8-17-2020	The Oaks at Baileys Bluff	2453 S Oaks Circle	Tom and Michele Schaefer	No longer renting due to Covid and Owners Assoc. challenges.
Village of Ephraim	11-56-1605-00	8-18-2020	Northstar	10383 North Shore Road	Thomas and Katherine Hughes	We have retired and now stay here
City of Sturgeon Bay	35-56-2228-00	8-21-2020	Nautical Inn	234 Kentucky	Brian Michaud	Only renting for long term leases going forward
Town of Liberty Grove	32-56-2252-07	8-24-2020	Timber Hus	1140 S Berry Lane	Curtis and Amy Bawden	Never rented, changed mind.
Town of Liberty Grove	32-56-2198-06	8-28-2020	Hideaway #203	1736 Hillside Dr. #203	Karen Nystrom	Long term renter. No short-term rentals due to covid. Will live at property after long term rental lease ends.
Town of Washington	46-56-1968-00	9-3-2020	Lakefront Cottage Carpenter	411 Wickman	Jack and Lynn Carpenter	No longer renting

By Property Report – First run to first run YOY

July 2020					
Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel (50)	\$3,983,420.94	34,205	25,765	75.33%	\$154.61
Resort (51)	\$7,438,460.76	46,330	34,026	73.44%	\$218.61
Inn (52)	\$798,299.26	6,340	4,598	72.52%	\$173.62
Total Commercial	\$12,220,180.96	86,875	64,389	74.12%	\$189.79
Condo (53)	\$1,309,326.85	7,629	5,398	70.76%	\$242.56
Bed & Breakfast (54)	\$401,561.46	3,279	1,878	57.27%	\$213.82
Cottage/House/Cabin (55/56)	\$5,855,730.61	27,477	19,858	72.27%	\$294.88
Other (59)	\$57,278.26	1,047	486	46.42%	\$117.86
Total Non-Commercial	\$7,623,897.18	39,432	27,620	70.04%	\$276.03
TOTALS	\$ 19,844,078.14	126,307	92,009	72.85%	\$215.68

July 2019					
Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel (50)	\$4,041,949.56	33,906	27,521	81.17%	\$146.87
Resort (51)	\$8,357,738.82	50,964	38,440	75.43%	\$217.42
Inn (52)	\$865,336.91	6,781	5,138	75.77%	\$168.42
Total Commercial	\$13,265,025.29	91,651	71,099	77.58%	\$186.57
Condo (53)	\$1,316,572.48	8,254	6,114	74.07%	\$215.34
Bed & Breakfast (54)	\$494,548.25	3,500	2,425	69.29%	\$203.94
Cottage/House/Cabin (55/56)	\$5,373,651.24	29,156	20,298	69.62%	\$264.74
Other (59)	\$84,107.46	1,603	796	49.66%	\$105.66
Total Non-Commercial	\$7,268,879.43	42,513	29,633	69.70%	\$245.30
TOTALS	\$ 20,533,904.72	134,164	100,732	75.08%	\$203.85

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 (50)	(\$58,528.62)	299	(1,756)	-5.84%	\$7.74
Resort (51)	(\$919,278.06)	(4,634)	(4,414)	-1.99%	\$1.19
Inn (52)	(\$67,037.65)	(441)	(540)	-3.25%	\$5.20
Total Commercial	(\$1,044,844.33)	(4,776)	(6,710)	-3.46%	\$3.22
Condo (53)	(\$7,245.63)	(625)	(716)	-3.31%	\$27.22
Bed & Breakfast (54)	(\$92,986.79)	(221)	(547)	-12.02%	\$9.88
Cottage/House/Cabin (55/56)	\$482,079.37	(1,679)	(440)	2.65%	\$30.14
Other (59)	(\$26,829.20)	(556)	(310)	-3.24%	\$12.20
Total Non-Commercial	\$355,017.75	(3,081)	(2,013)	0.34%	\$30.73
TOTALS	\$ (689,826.58)	(7,857)	(8,723)	-2.24%	\$11.83

Still to report for July 2020

Hotel/Motel (50)	2				
Resort (51)	3				
Inn (52)	2				
Condo (53)	9				
B&B (54)	0				
Cottage/Cabin/Home (56)	109				
Other (59)	3				
Total to Report:	128				

DRAFT PERMIT HOLDER COVER LETTER

Dear Permit Holder,

The Door County Tourism Zone Commission gave notice of changes to the room tax laws by postal mail and email in January of 2020. The notice outlined that the State of Wisconsin would require Marketplace Providers such as VRBO and Airbnb to collect and remit local room tax on new reservations after January 1, 2020.

All of us involved in room tax collection have shared in the challenges in understanding how each Marketplace Platform has complied with the new state law, 2019 WI ACT 10. On January 1, 2020, it was unknown if the Marketplace Providers would comply with the new legislation. Many of you have experienced programming issues, how to locate the essential payment information from each platform and difficulty navigating the new reporting process. It has been a learning curve for all of us and we thank you for your continued partnership in reporting so that room tax revenue can be distributed to the municipality it was collected in. While your Marketplace Provider may be collecting and remitting local room tax on your reservations, please remember the reporting requirements for local municipal room tax remain unchanged. Without your reporting, room tax revenue cannot be distributed; Marketplace Providers only remit a bulk check which does not provide the mechanics to distribute room tax back to the municipality it was collected in, which is required by State Statute.

While we know everyone learns differently and most benefit from one on one assistance, we hope that you find the new reference guide, "INTERIM GUIDE FOR MARKETPLACE SELLERS USING MARKETPLACE PROVIDER PLATFORMS" helpful. It can be a starting point to assist you with common questions, how to review your payment details and how to organize payment details into totals for reporting your monthly room tax report. Please take the time to review the document.

We know that you will still have questions and we are here to help. We hope that the "INTERIM GUIDE FOR MARKETPLACE SELLERS USING MARKETPLACE PROVIDER PLATFORMS" becomes a much-needed resource to help you with managing your lodging property and completing your room tax reporting. If you discover that you have incorrectly reported, get in touch and we will walk you through the process of amending your return(s).

Should you need assistance, please seek help early in the report month. As we get closer to the reporting deadline, our phone line gets stacked up with calls and voicemail becomes unavailable. If you get a busy signal and require assistance, please send an email to info@doorcountytourismzone.com

Sincerely,

Door County Tourism Zone Collections Policy and Procedure – Approved January 2014

Payment Receipt Policy

- 1) The mail is collected by Kerber Rose Monday - Friday
- 2) The incoming mail is opened, and date stamped "received" by Kerber Rose.
- 3) Any mail that is received after the report due date, Kerber Rose shall retain for records the envelope in which the report was mailed.

Payment Application Policy

- 1) The due date for all monthly room tax reports is the last day of the month following the report month.
- 2) The Door County Tourism Zone Commission allows a five (5) day grace period to allow for mail time on mailed returns.
- 3) If the due date for the report month falls on a weekend, the due date remains the same.
- 4) If the report is received after the grace period, the envelope post mark shall be used to determine if the report is timely filed. Otherwise, the date received in office shall be used for posting the payment.
- 5) If the report is received later than thirty (30) days late, the envelope post mark shall be used to determine if the 25% penalty is applied.

"Delinquent Room Tax returns with sales shall be subject to a minimum twenty-five dollar (\$25) late filing fee if room tax is owed. The tax imposed by this Agreement shall become delinquent if not paid by the due date of the return. A forfeiture of twenty-five percent (25%) of the room tax due or five thousand dollars (\$5,000.00) whichever is less, of the tax imposed, is hereby established and due and owing in the event that the room tax is not paid within thirty (30) days after the due date of the return. In addition to this forfeiture, all unpaid taxes under this Agreement shall bear interest at the rate of one percent (1%) per month from the due date of the return until received and deposited by the Commission."

Door County Tourism Zone Collections Policy:

COLLECTIONS POLICY AND PROCEDURES

Late Notices:

1. Past due invoices should be completed by the third/ fourth week of the month (dependent on reconciliation). The Accountant is responsible for mailing the first past due invoice. The second, third and final invoices are the responsibility of Door County Tourism Zone.
2. The DCTZ Administrative Assistant will check with the Accountant before sending out invoices that there are no payments pending to be entered in to the "Late Payment List Master" Excel Spreadsheet on the Accountant's server.
 - a. The DCTZ Administrative Assistant should also check the "Late Payment List Master" Excel Spreadsheet by selecting the "Paid Late Fees and Penalties" tab for any missed payments that haven't been applied/copied over to the "Unpaid" tab.
3. DCTZ and the Accountant will use the same late notice calculators that are located on the Accountant server. It is agreed that both offices will use Late Payment Calculator V2 for all notices that have payments made. The Late Payment Calculator Unpaid will be used for all notices that have no payments made to delinquent taxes. It is understood that once a property has made a payment that pays the tax, the offices will have to switch from the "Unpaid Calculator" to the "Late Payment Calculator V2".
 - a. Remember the interest should continue to increase as long as the original tax due remains unpaid.
 - b. The penalty should continue to stay the same because it is a one-time charge.
 - c. Payments should be reflected in the "Amount Paid" field. Don't take the payment off the tax owed.

- d. Once the original tax has been paid. Simply change the date prepared and print the notice for the current month (the amount due should stay the same). Be sure that the interest hasn't continued to accrue. (Interest can't accrue interest).
4. The Accountant will supply DCTZ with copies of the first late notices.
5. The DCTZ Administrative Assistant will pull the Accountant's file folder "Lates" and place copies of the subsequent second, third and final notices for each delinquent property to document the appropriate property history. The DCTZ Administrative Assistant will stamp "copy" on all invoices that are generated out of the DCTZ office. The goal is to have identical "Lates" file folders for each office.
6. Once the notices are created, both offices will maintain the "Late Payment List Master" Excel Spreadsheet on the Accountant's Server.
 - a. Open the unpaid tab.
 - b. For each delinquent month a new line must be inserted for the property and the amount of new interest must be entered. Be careful not to enter text in columns that are formatted for numbers, it will produce inaccurate totals.
 - c. Any appropriate notes that need to be made should be noted to the far right of the spreadsheet. (Note the amount of penalty and interest separately). Be sure to notate the date the late notice was sent out.
 - d. If additional copies of the notices are sent to accountants, bank, etc. notate that as well.
7. Mail the notices.

NON-PAYMENT

- 1) After three (3) notices have been issued (first, second, and final) the administrative assistant reports to the Executive Committee and suggests a course of action.
 - a. Possible courses of action: a final deadline, partnership with municipalities to prevent approval for licenses and permits, & etc.
- 2) If DCTZ has no success in collection of the delinquent room tax, a decision needs to be made if the property should be turned over to collections or the attorney for attempts
- 3) If the amount due is under \$500 it should be turned over to the collection agency.
- 4) If the amount due is greater than \$500 it should be turned over to the attorney.
- 5) Once the course of action has been decided, the Administrative Assistant with the Commission's approval shall notify the President/CEO of The Door County Visitor's Bureau for a recommendation of a suspension of DCVB membership until the delinquency is paid in full.

NO REPORTS

- 1) After the month's reconciliation (e.g., July is due August 31; reconciliation is done before the next meeting, approximately September 5-7), the first "NO REPORT" notice goes out. DCTZ drafts a letter saying "we are missing a report for X-month and states the penalties/interest that will apply for filing late."
- 2) If that same property still hasn't filed a report by the next month, the letter states that there are now TWO months missing, etc.
- 3) After three months of missing reports (with no contact or explanation), DCTZ sends out a letter stating that the owner is in jeopardy of being turned over to the attorney for compliance. If there's no response within 2 weeks, The Zone sends an "estimated tax owed" invoice (based on the property's own history of income or comps in the area) and states that if there's no reports/payments within 2 weeks, it will be turned over to the attorney.
- 4) Once turned over to the attorney, the Administrative Assistant with the Commission's approval shall notify the President/CEO of The Door County Visitor's Bureau for a recommendation of a suspension of DCVB membership until the delinquency is paid in full.