



**DOOR COUNTY TOURISM ZONE  
EXECUTIVE COMMITTEE  
Minutes of April 19, 2018  
City of Sturgeon Bay- Community Room**

3 **ACTION ITEMS:**

4 **Nelson moved and Skare seconded to approve the agenda.** Motion carried.

5 **Nelson moved and Le Clair seconded to approve the March 15<sup>th</sup>, 2018 Full Commission**  
6 **meeting minutes.** Motion carried.

7 **Le Clair moved and Weddig seconded to approve Kerber Rose Reports, Payables, and**  
8 **Receipts to Date.** Motion carried.

9 **Nelson moved and Weddig seconded to approve the split month rental policy and**  
10 **subsequent procedure for reporting.** Motion carried.

11 **Nelson moved and Skare seconded to obtain a legal opinion with regards to taxable and**  
12 **non-taxable items per the WI Department of Revenue with regards to room tax.** Motion  
13 carried.

14 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**  
15 **Section 19.85(1)(g) to confer with legal counsel for the governmental body who is**  
16 **rendering oral or written advice concerning strategy to be adopted by the body with**  
17 **respect to litigation in which it is or likely to become involved; to wit: enforcement actions**  
18 **against lodging providers who have failed to obtain lodging permits and to timely remit**  
19 **monthly room tax reports and tax payments.**

20 **Nelson moved and Le Clair seconded to adjourn.** Motion carried.

21 **Committee Members Present by Roll Call:** Josh Van Lieshout, Bryan Nelson, Elizabeth Le  
22 Clair, Bill Weddig, and Dick Skare.

23 **Also in Attendance:** Jack Money Penny/DCVB, Kim Roberts/Administrator, James Nellen  
24 and Kathleen Maci Schmidt.

25 **Call to Order**

26 Van Lieshout called the meeting to order at 9:06 a.m.

27 Chair Van Lieshout introduced James Nellen and Kathleen Maci Schmidt. James Nellen is  
28 newly elected to the Town board of Sevastopol and will be taking over for Chuck Tice.  
29 Kathleen Maci Schmidt is seeking the vacant at large position; she is from the Town of  
30 Liberty Grove and operates an Airbnb rental. The At Large position will be voted on at the  
31 May meeting.

32 **Approval of the Agenda**

33 **Nelson moved and Skare seconded to approve the agenda.** Motion carried.

34 **Approval of the minutes of March 15<sup>th</sup>, 2018 Full Commission Meeting**

35 **Nelson moved and Le Clair seconded to approve the March 15<sup>th</sup>, 2018 Full Commission**  
36 **meeting minutes as presented.** Motion carried.

37 **Report by the Door County Visitor Bureau on Marketing Efforts**

38 Money Penny updated the Executive Committee that the door counter in the lobby of the  
39 Visitor Center was finally fixed and back to counting. He stressed that the numbers will be  
40 back on track, but that there will always be a gap in reporting while it was not functioning.

41 Money Penny reviewed numbers and he said that they look good and they are where  
42 they should be heading.

43 Van Lieshout asked about advanced bookings.

1 Money Penny said that he is hearing that advanced bookings are strong. All agreed that  
2 the 2018 season is looking promising. He went on to say that he's not sure what the April  
3 snow will do to reporting and looking further ahead what impact the late winter weather  
4 will have on tourism for cherry blossoms. He felt it might slightly throw off the rhythm.

5 Weddig agreed and said April will be a down month.

6 Money Penny said that is challenging when you are trying to drop advertising with spring  
7 themes; they have to adjust social media that is in the hopper to go out.

8 Van Lieshout asked about service provider bookings.

9 Money Penny said that they are not booked this far out. He went on to say that they are  
10 encouraging job openings to be listed on jobsindoorcounty.com. The hope is, he said,  
11 that they can tie back long term jobs and seasonal listings to show the wealth of jobs in  
12 Door County. He added that they will look at the analytics on the jobsindoorcounty.com.  
13 Housing is the other side of the equation, he said. There is a housing study, survey and  
14 master plan in the works.

15 Money Penny stressed that the DCVB's first and foremost job is to get people to the county  
16 but his hope is that they can blend workforce recruitment into their marketing plan this  
17 year to assist in getting people up here to work.

18 Le Clair mentioned that people need to get creative and turn barns into summer housing  
19 with a hostel feel and run them like the Dells.

20 **Report from the Administrative Assistant on current activities and issues associated with**  
21 **permitting new members.**

22 Roberts reviewed the number of permit holders for each month who were late to report.  
23 She said that for June, July and August there still was one (1) property to report. For  
24 September and October 2017 there are two (2) to report and for November 2017 there is  
25 one (1) property to report. She went on to say that for December 2017 there is one (1)  
26 property to report. For January 2018 there are seven (7) to report and for February she  
27 said, there are twenty seven (27) to report.

28 Roberts said that the total outstanding due as of April 9th, 2018 was one thousand eight  
29 hundred seven dollars and ninety nine cents (\$1,807.99) from five (5) permit holders.

30 Roberts reported that she had permitted twenty seven (27) properties since March  
31 reporting; eleven (11) of which were permitted through compliance channels. She went  
32 on to say that she is currently working on fifteen (15) unpermitted properties.

33 Roberts reviewed online rental by owner platforms and the corresponding number of  
34 listings and number of un-permitted listings.

35 Roberts gave an update on the SL-304 Wisconsin Department of Revenue reporting. She  
36 shared that fourteen (14) out of the nineteen (19) municipalities have completed their  
37 reporting.

38 Money Penny asked Roberts to keep an eye on Mrb&b which is a new and upcoming site  
39 similar to Airbnb.

40 Roberts confirmed that she would look into the site.

41 Van Lieshout asked if we have permitted any non-Airbnb properties as of late.

42 Roberts said yes, that there were still properties using other sites and quite a few that are  
43 just advertising with the DCVB. She added that she is not limiting herself to where she looks  
44 for un-permitted properties.

45 Nellen asked if we are seeing the growth because people perceive that it is easy because  
46 Airbnb is going to take care of all the mechanical details.

1 Roberts said that in the beginning there were only four (4) or five (5) properties that were  
2 on Airbnb. She went on to say that the changes over the last couple of years with VRBO  
3 and Homeaway have driven hosts to Airbnb. The change of terms of service such as  
4 direct payment through their system, communication, services fees, credit card fees and  
5 response times factoring in to the sort algorithms have left hosts dissatisfied. She added the  
6 publicity, advertising and success stories lead to people wanting to give it a try.

7 Nelson responded that he felt a big part of Airbnb's growth is that it is so user friendly.

8 Schmidt said overall the platform is very easy to use. She noted that there were tax  
9 limitations, but really it is very easy to use. She said it is easy to set up, easy to get paid and  
10 easy to communicate with guests. She said she is very satisfied with Airbnb and she  
11 wouldn't want to go with anyone else.

12 Nelson said that part works really well. He went on to say that you can decide to rent your  
13 home (or a room in your home) and in fifteen (15) minutes you can be up online.

14 Schmidt said that you set your cancellation policy and the payments are prompt- as soon  
15 as the person checks in the money is deposited.

16 Nelson added that if you sense angst on this side it is because they have been less than  
17 forthcoming with municipalities.

18 Roberts added that there is also the frustration for the users that there is the inability for  
19 them to do what they need to do when it comes to sales and room tax. She went on to  
20 say that it couldn't take that much for Airbnb to add those line items to reservations.

21 Schmidt agreed and added that it is confusing for the guest because when they see  
22 occupancy tax (the sales tax portion) they may think that their taxes are paid for the  
23 reservation. Airbnb does not communicate that there may be other taxes to be paid.

24 Roberts added that there was just a change in service for Airbnb and noted that it clearly  
25 put the host on point for responsibility for taxes to be collected and paid.

26 Van Lieshout felt that was helpful.

27 Nellen asked if the WI DOR (Wisconsin Department of Revenue) followed up on these  
28 rentals.

29 Roberts explained the WI DOR collections agreement with Airbnb and that since July 1,  
30 2017 Airbnb has been collecting WI State Sales tax on all rentals through the platform. The  
31 sales tax is collected and remitted on the host's behalf by Airbnb.

32 Nellen asked if that triggers the obvious business return reflecting the other income  
33 generated.

34 Nelson replied that from the start this body has communicated with the WI DOR and said if  
35 you want our records, they are available and we have never had a response.

36 Roberts said a few permit holders have gotten letters out of the blue from the state, but  
37 she noted that these people were not collecting sales tax. One would have to wonder  
38 what triggered the notification process.

39 Schmidt said the WI DOR advised her to close her sellers permit as she is now covered  
40 under the Airbnb collections agreement. The caveat is that she is only renting on Airbnb.

41 Nellen gave some background into prior experiences with nexus and the three factor test.

42 All agreed nexus is the buzz word of what is going on with the Lodging Marketplaces and  
43 the latest round of legislation.

44 Van Lieshout responded to Nellen and said that Airbnb and others are arguing that they  
45 don't have nexus in the state of Wisconsin. The Department of Revenue and/or  
46 Department of Justice are not challenging that assertion.

1 Nellen said he can see how Airbnb takes the place as a fiscal agent, but that he could  
2 think of a couple of instances of people renting their homes through these entities and  
3 they are Illinois residents with the resulting Wisconsin sourced income. He added that what  
4 he is hearing is the Department of Revenue has not focused on this issue.

5 **Discussion of Current Comparable Occupancy Numbers**

6 Van Lieshout said that February took a little dip, but all agreed with the number of  
7 outstanding properties to report, the reporting should rise to the positive.

8 Roberts affirmed that there were still twenty seven (27) to report for February.

9 Van Lieshout stressed that we were still up 1.7% year to date. It is always nice to see that  
10 early in the first quarter, he said.

11 **Consideration of approving reporting and payables plus receipts to date.**

12 **Le Clair moved and Weddig seconded to approve KerberRose Reports, Payables, and**  
13 **Receipts to Date.** Motion carried.

14 **Discussion and consideration of policy for split month rentals and subsequent reporting policy.**

15 Van Lieshout said as you know split month rentals are sometimes difficult for permit holders to  
16 report and it is time that we consider formalizing our position on reporting split month stays. He  
17 asked Roberts to walk the committee through the information.

18 Roberts explained that larger properties that use reservation systems such as Lodgical report  
19 based on departure date. The concern that has arisen, she said, is that we are asking smaller  
20 properties to do something different than larger properties are doing with their system  
21 generated room tax reports. Roberts stressed that she feels a lot of the smaller property  
22 owners don't report their rentals using the split month method, so what we are talking about  
23 she said is aligning our policy to what is already being done.

24 Roberts asked for the following policy to be considered for approval: Split months are  
25 reported based on departure date. The departure day is not counted in the nights rented.  
26 Please report the taxable revenue and nights rented for a split month stay in the departure  
27 month.

28 **Nelson moved and Weddig seconded to approve reporting split months rentals based on**  
29 **departure date.** Motion carried.

30 **Discussion and consideration of updated Tourism Zone publications and guides.**

31 Van Lieshout said that he would like to approve the re-done publications in mass and he went  
32 on to say that Roberts and Le Clair worked on editing and proofing together.

33 Roberts thanked Le Clair for all of her time reviewing the documents; she appreciated the  
34 extra eyes on the information to catch any errors. She went on to say that she took her  
35 experience of dealing with new permit holders to change what information they get and  
36 when. The initial permitting compliance letter and the enclosed information have been  
37 reduced so that it can be mailed in a regular envelope and save postage. She hopes that  
38 the process will seem less overwhelming this way.

39 Van Lieshout said if there are material concerns they should be brought up, but if there is a  
40 typo they should reach out to Roberts directly.

41 Le Clair asked about the taxable and non-taxable items and the documents that should be  
42 retained. She asked why there was not a timeline on how long records should be kept.

43 Van Lieshout said we have to be careful; we don't want to give advice on how long to keep  
44 records.

45 Roberts said the list tells them what we think they should retain should we audit them. She  
46 went on to say that she didn't put a timeline in the guide because the statute does not refer

1 to a timeline with the audit provision and the associated documents. She added that she has  
2 done a lot of research and she found many areas like Door County list the items to keep, but  
3 not one gave a timeline of how long to keep them. Roberts felt that it was advisable to keep  
4 it vague so that people will keep their records.

5 Schmidt felt a note could be put in there to suggest seeking advice from a professional such  
6 as the Internal Revenue Service.

7 Nelson felt that it looked good as it was.

8 Roberts asked if she was leaving it as is or changing it to seek advice from a professional for  
9 the length of time to retain records.

10 All agreed to keep it as is.

11 Le Clair asked about the taxable and non-taxable items and felt that room tax should only  
12 apply to lodging. Le Clair felt the Tourism Zone should not align with the WI DOR.

13 Roberts explained that we have always followed along with the Department of Revenue. This  
14 information has been in our publications since she began with the Tourism Zone and comes  
15 from PUB 219, which is the lodging guide from the Department of Revenue.

16 Nelson and Van Lieshout felt that Tourism Zone should continue to align with the WI DOR.

17 **Nelson moved and Skare seconded to obtain a legal opinion with regards to taxable and**  
18 **non-taxable items per the WI Department of Revenue with regards to room tax.** Motion  
19 carried.

20 Van Lieshout said our position on what is taxable and non-taxable will not change until we  
21 have information stating otherwise.

22 Roberts asked if the new publications could be distributed as is because it is not a  
23 departure from previous policy.

24 Nelson thanked Roberts for the efforts and felt that documents were much more  
25 streamlined.

26 All agreed the new publications and guides could be distributed and utilized.

27 **Report from Commissioners on feedback from local boards on recent issues.**

28 Le Clair reported that the Town of Jacksonport had their Annual Meeting. She went on to say  
29 that she spoke about the Commission pursuing compliance.

30 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**  
31 **Section 19.85(1)(g) to confer with legal counsel for the governmental body who is**  
32 **rendering oral or written advice concerning strategy to be adopted by the body with**  
33 **respect to litigation in which it is or likely to become involved; to wit: enforcement actions**  
34 **against lodging providers who have failed to obtain lodging permits and to timely remit**  
35 **monthly room tax reports and tax payments.**

36 **Nelson moved and Le Clair seconded to adjourn.** Motion carried.

37 Respectfully submitted,



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40 Kim Roberts  
41 Administrator

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1 DOOR COUNTY TOURISM ZONE  
2 FULL COMMISSION  
3 CLOSED SESSION  
4 Minutes of April 19, 2018  
5 City of Sturgeon Bay

6 The closed session of the Tourism Zone Full Commission was convened by Chairperson Van  
7 Lieshout at the City of Sturgeon Bay.

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8 **Committee Members Present by Roll Call:** Josh Van Lieshout, Bryan Nelson, Elizabeth Le  
9 Clair, Bill Weddig, and Dick Skare.

10 **Also in Attendance:** Kim Roberts/**Administrator.**

11 **Consider motion to convene into Closed Session pursuant to Wisconsin State Statutes,**  
12 **Section 19.85(1)(a)(f) or (g) to confer with legal counsel for the governmental body who is**  
13 **rendering oral or written advice concerning strategy to be adopted by the body with**  
14 **respect to litigation in which it is or likely to become involved; to wit: enforcement actions**  
15 **against lodging providers who have failed to obtain lodging permits and to timely remit**  
16 **monthly room tax reports and tax payments..**

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17 **CLOSED SESSION**

18 Discussion took place in regard to non-compliant properties.

19 The meeting reconvened in open session.

20 Respectfully submitted,



21  
22 Kim Roberts  
23 Administrator

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