



DOOR COUNTY TOURISM ZONE COMMISSION

Administrator's Report

July 2017

Compliance: Late Letters Sent

- The number of **January 2017** “No Reports” letters sent: Eighteen (18) to owner managed properties on 3/15/17
 - All properties have reported for January 2017.
- The number of **February 2017** “No Reports” letters sent: Eighteen (18) to owner managed properties on 4/14/17
 - All properties have reported for February 2017.
- The number of **March 2017** “No Reports” letters sent: Fifteen (15) to owner managed properties on 5/17/17
 - All properties have reported for March 2017.
- The number of **April 2017** “No Reports” letters sent: Fifteen (15) to owner managed properties on 6/13/17
 - Four (4) remain to report as of 7/12/17.
- The number of **May 2017** “No Reports” letters sent: Seventy eight (78) to owner managed properties as of 7/12/17.

Unpaid tax/fees/penalties: The total outstanding due as of 7/12/17 is: \$2,014.17 from seven (7) permit holders.

First Notice	Second Notice	Third Notice	Attorney	Settlement/Payment Plan
\$40.31	\$25.13			\$1,018.43
\$36.06				\$96.16
\$25.02				\$570.27
\$25.21				\$68.91
\$63.63				
\$32.54				
Total Due \$2,014.17				

- **Permits:** *Seventeen (17) permits have been issued since June reporting – eight (8) or 47% due to compliance efforts.*
 - *Twenty seven (27) properties were permitted during the same period in 2016.*
 - *As of 7/12/17 there are 1055 permits.*
 - *Village of Ephraim – seasonal - compliance*
 - *Town of Gibraltar – year-round*
 - *City of Sturgeon Bay – year-round*

- Town of Washington – seasonal- compliance
- Town of Egg Harbor- year-round-compliance
- Village of Ephraim – year-round
- Town of Gibraltar- seasonal
- Town of Egg Harbor – year-round
- Town of Baileys Harbor – seasonal
- City of Sturgeon Bay – year round-compliance
- Town of Egg Harbor – year round
- Village of Sister Bay – year round – compliance
- Village of Sister Bay – seasonal
- Village of Sister Bay – year round – compliance
- City of Sturgeon Bay – year round – compliance
- Town of Egg Harbor – year round
- Town of Union –seasonal – compliance
- Town of Gibraltar-seasonal – (additional unit added to permit)(not counted as part of new permits)
- Town of Gibraltar year round – compliance- (additional unit added to permit)(not counted as new permits)

• **Unpermitted Properties:**

I am currently working on permitting twenty three (23) unpermitted properties that are advertising online or have contacted the office regarding permitting. Last year at this time I was working on twenty four (24) unpermitted properties.

- **VRBO/ Homeaway/ Vactionrentals.com** : Currently on VRBO there are 506 rentals and Homeaway has 526 as of 6/30/17.
 - VRBO Listing #1: #989841 – compliance letter sent 6/9 and 6/28/17
 - VRBO Listing #2: #727727 – Sent email through VRBO dashboard. I have not been able to track down owner information (another Meadow Ridge owner)
 - VRBO Listing#3: #4607809 – Compliance letter sent 6/27/17
- **AirBnB:** Currently on Airbnb there are 193(173 last month) rentals listed for Door County. Below is the current breakdown of the Airbnb Properties by Municipality. Currently there are nine (9) unpermitted properties on Airbnb, two of which are timeshare weeks which are either wholesaler listed or by the week owner. Seven (7) have compliance letters sent to the owners. I don't think it will be much longer that Airbnb listings will be behind VRBO and Homeaway- there are now only about 100 listings separating the two platforms.
- As of July 10th, 2017 the breakdown of listings by municipality for Airbnb is as follows:

Muni Code	Muni Name	# of Airbnb Properties
2	Baileys Harbor	10
6	Clay Banks	2
8	Town of Egg Harbor	30
9	Village of Egg Harbor	19
11	Ephraim	5
12	Gibraltar	12
13	Village of Forestville	0
14	Town of Forestville	0

15	Jacksonport	6
27	Nasewaupée	6
32	Liberty Grove	25
33	Sevastopol	7
34	Village of Sister Bay	5
35	City of Sturgeon Bay	35
36	Town of Sturgeon Bay	7
39	Gardner	6
42	Union	2
46	Washington	14
Door County Listings		191
Not in Door County		9
Total		200

○ **Unpermitted Airbnb Listings:**

- Unpermitted Listing #1: #15062338 (compliance /timeshare- no leads)
- Unpermitted Listing #2: #13282955 (have been no leads for over a year and finally found a lead and sent a compliance letter on 6/28/17)
- Unpermitted Listing #4: #18346670 – three compliance letters sent – now with legal counsel.
- Unpermitted Listing #5: #18791774 – compliance letter sent 6/1/17 and 6/26/17
- Unpermitted Listing #6: #17556199 – signed a certification document stating only renting 30+ days. Listing now shows minimum of 4 days. Sent another compliance letter on 6/12/17. (As of 7/5/17 the listing is down, but this is what he has been doing since April- taking the listing down and putting it back up)
- Unpermitted Listing #7: #19476764 – in 2016 owner state only long term rental. Compliance letter sent 6/26/17.
- Unpermitted Listing#8 (197063455) and #9 (19709930)- one property with two listings. Compliance letter sent 7/7/17.

- **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are two hundred twenty eight- last month there were two hundred nineteen (219) vacation rentals (200 the previous month). TripAdvisor pulls in Homeaway and VRBO listings as channel partners.

- Flipkey has 42 Door County Listings. Last month there were forty two (42) listings and the month before there were forty six (46) rentals. (all permitted)

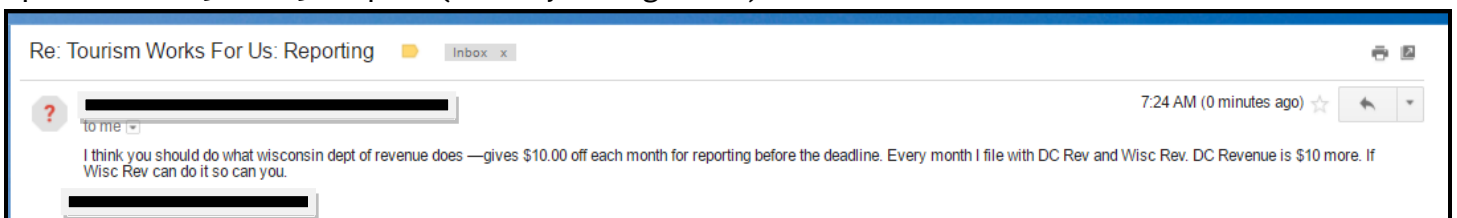
- **Facebook** – I have been monitoring various pages on Facebook. Currently I am working on two un-permitted properties via Facebook.
- **Craigslist** : There has been a wave of Meadow Ridge Listings – owners are desperate to get their units rented. Most are reporting that the reservation has been forwarded to Meadow Ridge. I have kept all documentation of this in case any issues arise.

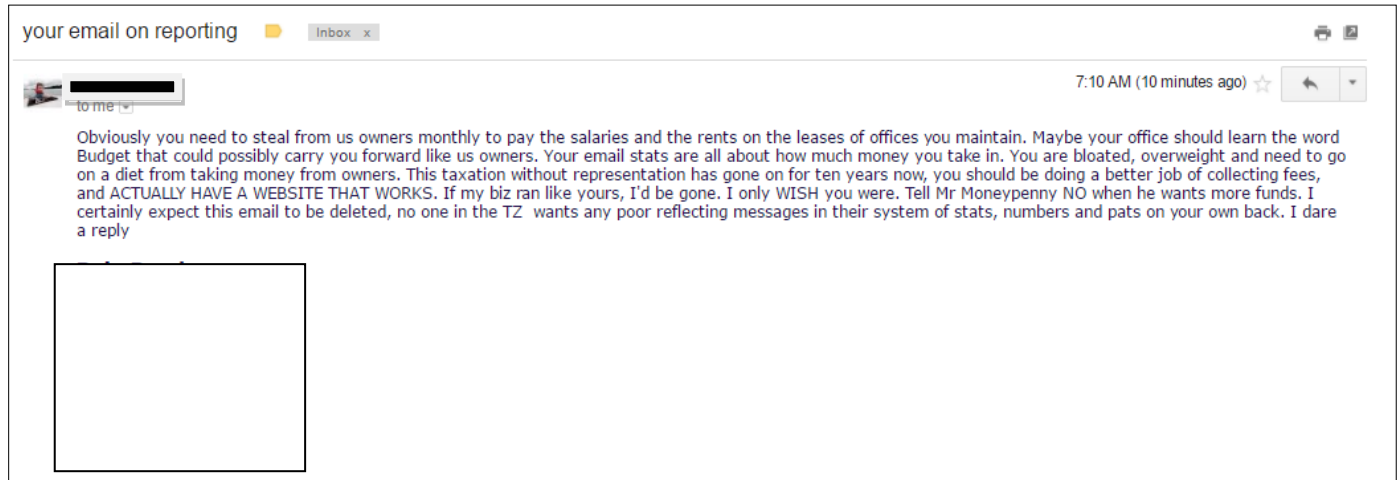
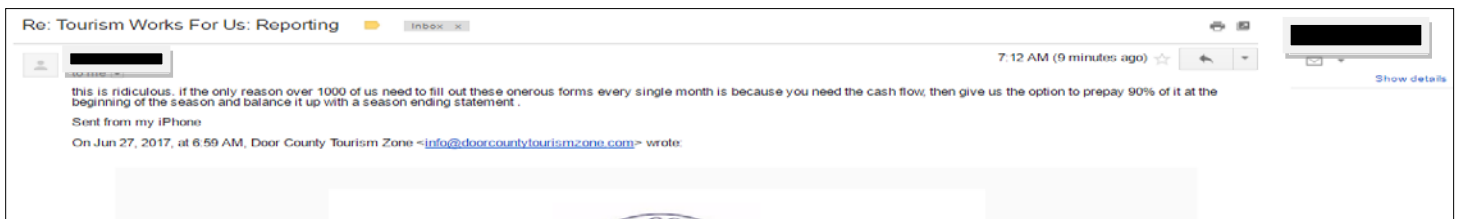
Other news:

- On June 22, 2017 I fielded numerous phone calls from permit holders calling to let me know VRBO had taken down their listings. These are the folks that have been holding out and avoiding the “new rules”. Their listings were taken down for failure to use the VRBO/Homeaway payment system and communication outside the VRBO/Homeaway dashboard and for trying to control their calendar (avoiding book-it-now).

- One particular call stood out with a permit holder, J.C., who has five (5) houses that he rents. He detailed that his listings were suspended (taken down) because he didn't use their payment system, tried to have interaction with potential guests (in effort to screen potential renters and to reduce 1-2 night rentals)
- He went to say that those in Door County pride themselves that they are small business owners and invest in Door County with their sweat and pride to make Door County special. There is a hole that has developed with those in business forced out by Expedia (VRBO/Homeaway).
- He added that with five houses he is very lucky that he is almost at full occupancy, but wanted to talk about the fees from Expedia who were charged to his guests changed and what he was seeing with guest activity. He said that guests that are hit with the 10% service fees literally turn around and take it out of the Door County economy; they are bringing everything with them and spending/leaving very little money behind.
- He asked that I communicate that it is time to gather the troops and start looking for ways to keep the money locally. He asked if there was a way to keep people from using these platforms – but agreed that we can't fight or stop the platforms. We need to create something outside of them to continue the cycle of tourism in Door County. He added that VRBO is still using his listings to advertise Door County, even though they have removed them, but when you click through the listing is hidden. He would like to see everyone work together to circumvent the platforms instead of taking them on.
- He asked that the board consider the issue as it will have an impact on revenues.
- I was working with Justin at Baylakes on another issue and I asked him what he thought it would take to create something like VRBO/Homeaway for just Door County. I feel having some information to offer on this subject is important as some feel that it would be a feasible option. He said that they had run the numbers and you would be looking at 250k a year and you would never be able to compete with them in terms of advertising. He said there would never be enough money to compete with their advertising. He said that he would keep his ears open with developments on the tech side so that if anyone is interested I can let them know.

6/27/17 survey response email – Tourism Works for us: Reporting: This was completed and reviewed with Hillstrom PR as part of the email answer series. We felt like it did a good job explaining why we could not make the move to monthly reporting. The email went out at 7 AM and by 7:15 I had the responses below. These ended up being the only responses to the email. 874 were emailed 845 successful deliveries- the open rate was 38.7% - 327 opens (industry average 21.7%).





Letters sent to Kitchens, Lasee and the WLM in regards to Airbnb and room tax collection:

A letter (slightly different versions to all above) was sent out to urge our representatives to be vocal about the rights of municipalities in choosing to enter into an agreement with Airbnb. The WH&LA has taken the position and has urged its members to email their local representatives in support of Airbnb doing the collection of all Wisconsin Room Tax.

Response received from Lasee's office: Tricia of Lasse's office said that she did some calling around and the WDOR wants no part of room tax collection and the office's position is that it should be up to the municipalities. She said that during budget caucus Lasse would be communicating his position that room tax should be collected at the municipal level with the Joint Committee of Finance and it should be up to each municipality if they want to enter into an agreement Airbnb.

At the time of print no other responses were received. The letter and supporting materials are lengthy, I have attached the Lasse letter at the end of my report.

*** update*** as of 7/12/17 I was notified by multiple permit holders that are hosts on Airbnb that Airbnb is collecting room tax in addition to State Sales Tax. Below is an example of what is going on. Immediately I reached out to Airbnb by phone and email. I also updated the League of Wisconsin Municipalities. I reached out to Jason and Wendy at the Green Bay Room Tax Commission because it is not just a Door County issue. I also contacted the AH&LA for advice on how to get Airbnb's attention and fix the issue. I also emailed Jack at the DCVB so that he could contact any of his counterparts that also might be facing the same issue. As a point of reference the VCA was turned down to Airbnb via email on April 28th and I did receive a response in return.



Door County Tourism Zone <info@doorcountytourismzone.com>

Apr 28 ☆



to Melanie ▾

Melanie,
Thank you for checking in. The Commission voted to decline entering into an agreement with Airbnb. If something changes down the road I will get in touch.
Sincerely,



Melanie Goggins <melanie.goggins@airbnb.com>

Apr 28 ☆



to me, Pooja ▾

Ok, thanks for letting us know!



1:35 PM (28 minutes ago) ☆



Hi -

I was just looking at Airbnb today and it appears they ARE collecting 11% tax on our rentals!

\$200 x 2 nights	\$400
Cleaning fee [?]	\$75
Service fee [?]	\$60
Occupancy Taxes [?]	\$52
Total	\$587

Book

When I hover over the question mark by Occupancy Taxes - this is what it says:

[General Sales and Use Tax \(Wisconsin\)](#) [General Sales and Use Tax \(Door\)](#) [Room Tax \(Door County Tourism Zone\)](#)

Do you have any ideas on how to pursue this? I am already very irritated with AirBnb for doing this in the first place, and not allowing owners to opt out. I don't need them screwing up my books this way. Their interference has already affected my pricing and maybe even bookings!

I thought you would like to know about it, and maybe we can work together to get it fixed.

Thanks !

Update on Baylakes Upgrade:

I asked that Justin not roll out testing to multiple agents during season (the upload of agent reporting for reporting and paying room tax for those that use Lodgical) or any other changes to the system during season. The amount of time it would take on the back-end to correct entries not caught by their programming could cause issues with getting reporting out on time during season. Justin has been working with JR Vacation Rentals as they are next to their office in working on the programming. Justin noted that the programming for agents was more involved than originally thought. I would like to wait until we get through October reporting before we make any changes to the system, if not year end.

Discussion from Annual Meeting regarding growth in the number of permits:

I pulled into the data project information from as far back as I could get it to fulfill the questions posed during the conversation that developed at the Annual Meeting. The updated summary of the data project now includes the following information: Date of by unit report, number of permits, number of units, tax year, room tax collections, available rooms, filled rooms, occupancy, ADR, visitor spending, county tax collections and rank in state. This additional report is on the final back page of the summary included in my report.

Discussion with City of Sturgeon Bay Permit Holder:

R.F., stopped in the office July 3 wishing to discuss how room tax money is spent. He asked that it be considered to engage in a safe driving campaign. His main concern is that with everything being mobile

that tourists are especially at risk trying to drive and find information on their phones. He said that visitors at times lack common sense and used the example of a Plein Air event where people parked along side the road of STH 57 and just began crossing the road disregarding traffic. He said with our seasons growing we don't want to become rude towards tourists and that we need to maintain civility and safety. He requested that we learn from some of the growing pains that tourist areas out east have gone through in an attempt for us to avoid them. I did explain how room tax is spent is statutory, but that I would forward his comments in my report.

Letter to Door County Realtors:

In light of a couple of recent conversations with new permit holders advertising their properties prior to their closings, I felt that it was time to reach out to Door County realtors. One realtor told their client they could advertise their property prior to closing as long as no money was being exchanged. I found the unpermitted property on VRBO the day after it was posted, and the property was permitted within twenty four (24) hours. There has been frustration with new home owners who felt that they were misinformed or not informed at all over the past couple of years. I am hoping that this will open the lines of communication. I would like to adjust slightly and send the same letter to all of the title companies. Please let me know if adjustments need to be made, I would like this not to be a turn off to realtors but seen as an opportunity to provide up to date information.

Second Newsletter for 2017:

I am almost finished with the layout of the second newsletter for 2017. It reviews the information from the annual meeting along with important updates such as the Airbnb sales tax collection in Wisconsin change.

Respectfully Submitted,
 Kim Roberts
 Administrator

Removed Properties 6/7/17 to 7/12/17

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Village of Sister Bay	34-56-1371-00	6/13/17	Cotter Cottage	10598 Forest Lane	Brandon Cotter	Property Sold
Village of Egg Harbor	09-56-1007-00	6/13/17	Catherine's Cottage	7665 Point Beach Road	Greg & Alan Bell	Property Sold
Town of Gibraltar	12-54-0148-00	6/21/17	Juniper Inn B&B LLC	N9432 Maple Grove Rd	Mark Sneen	Property Sold. New owner permit #1759
Town of Gibraltar	12-56-1637-00	6/23/17	Lake View Pines	3000 High Plateau Rd	William R Herderson	Property Sold
Town of Gibraltar	12-53-0505-00	6/27/17	Beach House, The	4117 Main St	Christine Falck-Pederesen	Property Sold. New owners permit #1764

Annual Meeting Data Request:

by unit report date	# of permits	# of units	Tax Year	Room Tax Collections * lates included	Available Rooms	Filled Rooms	Occup %	ADR	Visitor Spending (in millions)	County Tax Collection	rank in state
11/18/2008	729	3945	2008	\$ 2,633,905.00	979,928	362,545	37.00%	\$ 129.00			x
8/7/2009	856	4684	2009	\$ 3,051,712.00	1,209,378	442,111	36.56%	\$ 124.00	257.1	\$ 2,903,389.00	x
12/31/2010	888	4702	2010	\$ 3,233,733.00	1,215,559	463,591	38.14%	\$ 127.00	266.9	\$ 2,867,741.00	8
12/31/2011	879	4656	2011	\$ 3,270,684.00	1,198,604	463,861	38.70%	\$ 130.00	271.2	\$ 2,991,834.00	7
12/12/2012	903	4676	2012	\$ 3,500,714.00	1,209,649	479,562	39.65%	\$ 134.00	289	\$ 3,081,689.00	8
12/31/2013	937	4708	2013	\$ 3,644,013.00	1,203,063	486,977	40.48%	\$ 137.00	298.8	\$ 3,157,479.00	8
12/1/2014	956	4673	2014	\$ 3,815,722.00	1,213,890	508,272	41.87%	\$ 136.00	313.4	\$ 3,350,013.00	8
12/1/2015	980	4712	2015	\$ 4,130,827.00	1,232,712	532,798	43.22%	\$ 142.00	332.8	\$ 3,658,093.00	8
12/1/2016	1031	4773	2016	\$ 4,459,019.00	1,249,681	553,470	44.29%	\$ 149.00	347.8	\$ 3,914,091.00	7
	* from by unit report			*From year end reporting					State statistics		

Dear Door County Realtor,

The upswing in real estate sales over the past few years has resulted in a renewed surge of visitors seeking out investment properties in Door County with the intention of making them vacation rentals. Historical data shows since 2009 the increase in permits for single family homes has increased 86%. New permits in 2017 show continued growth in permitting in both cottage, cabins, homes and condos.

Many new owners find themselves confused, frustrated and or sometimes misinformed about short term rental requirements in Door County. Some new owners have asked why they weren't provided a packet of information to assist them by their realtor or their title company. We've heard from enough new property owners that we feel the best course of action is to provide as much support, education and information as the real estate community would like. We hope that by reaching out we can all make the experience as easy as possible so that new owners can focus on answering rental inquiries and not chasing down information on rental requirements.

Enclosed for your review are the current Tourism Zone documents that each potential permit holder would receive: Permit application, permit application instructions, getting started checklist, monthly room tax report, Frequently asked questions, how room tax is used and information on Wisconsin state sales tax – Wisconsin state tourist rooming house license (health inspection from the Department of Agriculture). The best place to start is our "Getting Started Checklist". It details step by step the process of engaging in transient rentals in Door County. This is also available on our website with live links to all related information on the website.

Did you know that Door County now has ten years of lodging statistics? In thanks to those lodging providers that continue to do their part in collecting and remitting room tax, we have statistics and data from 2009-2016. This data can also be a great selling tool. The Tourism Zone is also willing to help if you have a client looking for more comprehensive information in comparing different municipalities; give us a few days and we will happily pull information and compile reporting.

We are hands on and will work with each property owner until they feel comfortable and confident with the requirements and process. After all, it is how the Door County community works and we want to welcome new property owners into the area as well as supporting

TOURISM WORKS FOR US: Why is Destination Marketing important and why should ROOM TAX fund it?

While some visitors are drawn to Door County by its natural beauty and the region's unique natural and historical attractions, other visitors need to hear why to visit and what they can do while they are here through marketing. Individual businesses are responsible for marketing themselves, but Destination Marketing must create the interest in visitation before an individual business can effectively market itself.

How is marketing paid for? ROOM TAX dollars! ROOM TAX revenue provides the mechanism that ensures the ongoing funding for the marketing of Door County. Destination Marketing that is funded by ROOM TAX is essential to growing and sustaining tourism. In the competitive marketplace where travelers have many options, Destination Marketing Funds (room tax revenue) allow Door County to be marketed and represented. Prior to 2007, Door County's marketing entity, the DCVB, had marketed Door County with a marketing budget of less than \$200,000 in comparison to 2015's budget of \$2.7 million from room tax

our local businesses. We ask that you not assume that you are familiar with the requirements and take a few minutes to make sure that you are current with rental requirements that you may relay to potential buyers.

Thank you for your assistance and support in keeping the tourism engine roaring furiously in Door County. The results of noncompliance are felt throughout the county; every delay or unpermitted property hampers the ability of the Door County Visitor Bureau to promote tourism and stalls municipalities in their budgeted projects. The Commission intends to collect all delinquent and or under-reported room tax and continue to bring all transient rental properties into full compliance. Non-compliant properties who evade or under report room tax erode at the benefits that room tax provides to Door County municipalities and the efforts of the Door County Visitor Bureau to market Door County as a destination.

Room tax is a community success. Why? Tourists know about Door County as a result of Destination Marketing paid for by room tax. We hope to see more tourists falling in love in Door County and becoming a part of our community through the acquisition of their own Door County home.

Sincerely,



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

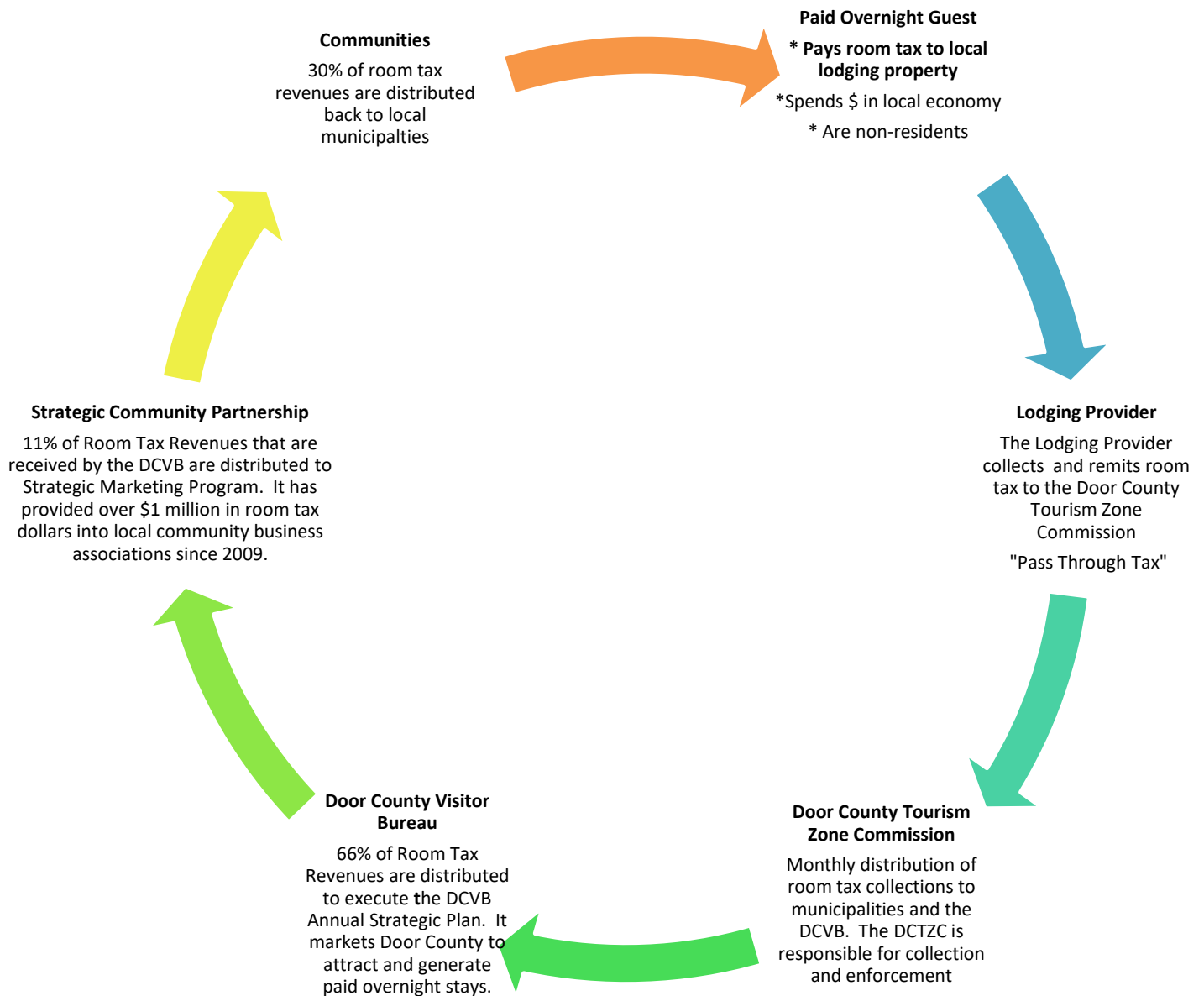


Kim Roberts
Administrator - Door County Tourism Zone Commission

Accolades for Door County...

Door County is recognized on a regular basis by organization and media outlets as a wonderful place to live and visit. We make the best-of-list for vacation and getaway destinations as well as attractions that include fall colors, fishing, and our small town vibe. As with any consumer product or service, destinations must be marketed in order to obtain awareness and consideration within the mindset of potential visitors. In order to compete we have to offer more: The vacation traveler needs to know what they can do once they arrive. Destination Marketing is essential to attracting visitors and protecting Door County's Tourism Economy.

We can tell you room tax is doing its job, but the numbers do a better job of reflecting the economics of tourism that are impacted by room tax funding.



TOURISM WORKS FOR US: What can you do to support tourism in Door County?

Be a tourism industry champion! If you are a property owner and are considering renting your property as a lodging facility (or already are) get permitted for transient rentals and collect and remit room tax. Room tax revenues allow Door County to have a presence amongst travelers who have many options when it comes to selecting a vacation destination. Despite its proven return and the support of all nineteen Door County municipalities, some property owners underestimate Destination Marketing and rent their properties illegally. That's why it is up to us to communicate tourism's value in order to elevate room tax recognition, respect and support. We have an opportunity to come together as champions of the tourism industry to ensure that tourism continues to thrive. Tell your friends, neighbors and visitors the value that room tax has in promoting Door County as a destination. Encourage them to do their part in supporting Door County's leading economic driver: Tourism.



DOOR COUNTY TOURISM ZONE COMMISSION

PO Box 55, Sister Bay, WI 54234

920-854-6200, Fax: 920-854-9019

E-mail: info@doorcountytourismzone.com

Website: www.doorcountytourismzone.com

June 21, 2017

Senator Frank Lasee

316 South, State Capitol

PO Box 7882

Madison WI 53707

Dear Senator Lasee,

On June 8, 2017 the Door County Tourism Zone (Tourism Zone) received an email from Airbnb stating that the State of Wisconsin had entered into an agreement for tax collection. The email from Airbnb was confusing as to room tax in regards to where in Wisconsin Airbnb would be collecting on behalf of its hosts in Wisconsin. "Important: Airbnb will collect and remit occupancy taxes in Wisconsin State" (Airbnb, 2017). The email said, "We're happy to announce that starting on July 01, 2017, Airbnb will begin collecting and remitting the following tax(es) on behalf of Airbnb hosts with listings in Wisconsin State:

- Sales Tax
- County Taxes
- Local Exposition Tax
- Basic Room Tax
- Additional Room Tax
- Premier Resort Area Tax
- Baseball Stadium Tax

Later in the day, an email was released from the WH&LA that celebrated the finalized agreement between the State of Wisconsin and Airbnb to collect and remit taxes to the state Department of Revenue on all Airbnb bookings at Wisconsin properties of all types beginning on July 1, 2017. The WH&LA went on to say, "While this is an important first step in leveling the playing field with licensed taxpaying lodging properties, it cannot be viewed as the only step needed." "It is critical that, as the platform that collects payment from

travelers for their stays, they also collect and remit the currently missing room tax.” (Pugal, 2017)

The Door County Tourism Zone Commission is concerned with the WH&LA’s position that Airbnb should be collecting room tax on all 3,300 active hosts in Wisconsin. The Tourism Zone has already attempted to negotiate a Collections Agreement with Airbnb. What was proposed from Airbnb was unanimously rejected by the Tourism Zone Commissioners. While we believe that if the reporting process as easy for our permit holders there will be less issues with compliance and enforcement, we are not willing to give up everything we have worked for in the last ten years (transparency and statistics) by turning over room tax collections Airbnb. The Tourism Zone permit holders pay on time 94.5% of the time, we have less than \$2,000 in outstanding taxes, interest and penalties to collect from our permit holders.

For the Tourism Zone, an Airbnb agreement would block us, as the tax agency, from verifying the accuracy of Airbnb payments. These agreements undermine sound tax administration and the rule of law. These agreements grant special advantages to one tax payer (Airbnb) and its hosts. So, what are these agreements? They are, in truth, rules that grant special privileges to Airbnb and its lodging operators. They are rules because they cover multiple decisions - not just tax issues - sprawling across a range of policy and administrative issues by:

- Granting tax and regulatory benefits to a class comprised of large numbers of unidentified beneficiaries who are not signatories of the agreements,
- creating unusual, if not unprecedented, limits on tax administration that undermine the proper accountability for taxes collected, reports and paid,
- limiting the information available to other agencies to enforce laws that affect public health and safety and the quality of community life, and
- restricting the ability of the public and other agencies to know about and participate in decision making about the public policy judgments being made in agreements. (Bucks, 2017)

The Airbnb agreements are aimed at agencies and municipalities that do not have an effective permitting, collections and enforcement system in place. Airbnb is dangling easy revenues without any work to these communities. The Tourism Zone should not be lumped in with these communities at the state level and be required to participate in an agreement with Airbnb. Here is what the Tourism Zone would stand to lose:

- “giving unjustified amnesty to Airbnb and its lodging operators, granting broad tax and regulatory benefits to a large class of unidentified beneficiaries—lodging operators—who are not signatories of the agreements,

- creating unusual and unprecedented limits on tax administration—especially audits and information sharing—that are a radical departure from normal practices and undermine the proper accountability for taxes collected, reported and paid,
- shielding in multiple layers of secrecy the identity and location of lodging operators to prevent the enforcement of tax and regulatory laws that affect public health and safety and the quality of community life, and
- restricting the public, the media and other agencies from knowing about and participating in the public policy decisions made in these agreements." (Bucks, 2017)

Included with this letter is a study on Airbnb agreements by Dan Bucks. Mr. Bucks served as the Director of the Montana Department of Revenue and the Executive Director of the Multistate Tax Commission. He has examined and written a study published in March of 2017 on Airbnb Voluntary Collection Agreements. Many feel that state and local agencies need to stop signing Airbnb agreements. Instead, why not require tax agencies to establish for all rental platforms a lodging operator identification system to secure compliance by those who do not register voluntarily. Tax agencies then can establish an operator tax reporting system requiring returns of lodging rental revenues from all sources. This system is what is in place for Door County and works very well.

Airbnb does not want to change their current platform which makes it incredibly difficult for their hosts to add the legally required state and room tax during their lodging transaction. Instead of correcting their platform issues, they are praying on areas that don't have an established system in place in return for easy money. Airbnb has promised thousands and in some cases millions of dollars in "tax revenues" to cash starved legislators or city councilmen. Airbnb and its hosts should be treated like every other business and not granted special rules that only benefit Airbnb and its hosts.

Since the WH&LA is arguing to have Airbnb collect room tax statewide, we ask that as our Senator you review the Airbnb Voluntary Collections Agreements study and enclosed emails. The Tourism Zone feels that we, not the WH&LA, should make the decision on what is best for the Tourism Zone. Our track record of collections, enforcement and compliance is well established and more often than not other communities look to our example to model. We do not support this effort and ask that you help recognize the issues with entering into such an agreement with Airbnb. Please assist with recognizing that the Airbnb Voluntary Collection Agreements are not what is best for Wisconsin municipalities and that the decisions should not be up to the WH&LA but each individual taxing agency or municipality.

In sum, we should not support the WH&LA in order to receive a regular check which cannot be verified, but appealing for areas that don't have an established system for room tax collections. Let's do the right thing and leave it up to each municipality to enter into their

own individual collections agreement with Airbnb should they wish to do so. We have to continue to do the work at the local level by identifying lodging operators, permitting them and requiring regular room tax reporting. Airbnb should be treated like any other business in Wisconsin.

Sincerely,

A handwritten signature in black ink that reads "Josh Van Lieshout". The signature is written in a cursive, flowing style.

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

Enclosures

1. “Airbnb Agreements with State and Local Tax Agencies A Formula for Undermining Tax Fairness, Transparency and the Rule of Law” by Dan R Bucks
2. Email from Airbnb dated June 8, 2017
3. Email from WH&LA dated June 8, 2017 “Capitol Insider: Airbnb Agrees to Collect States Sales Taxes on their Wisconsin Room Rentals”
4. Email from the WH&LA dated June 13, 2017 “Capitol Insider: Important Clarification on Airbnb Agreements to Collect Taxes.”

Works Cited

1. Bucks, D. (2017). *Airbnb Agreements with State and Local Tax Agencies*.
2. Pugal, T. (2017, June 8). Capitol Insider: Airbnb Agrees to Collect States Sales Taxes on their Wisconsin Room Rentals.

