



DOOR COUNTY TOURISM ZONE COMMISSION
 Administrator's Report
 March 2019

Compliance: Late Letters Sent

2018 – As of March 14, 2019:

- The number of **June 2018** "No Reports": One (1) property remains to report.
- The number of **July 2018** "No Reports": One (1) property remains to report.
- The number of **August 2018** "No Reports": One (1) property remains to report.
- The number of **September 2018** "No Reports": One (1) property remains to report.
- The number of **October 2018** "No Reports": Two (2) remain to report.
- The number of **November 2018** "No Reports": Three (3) remain to report.
- The number of **December 2018** "No Reports: Three (3) remain to report.
- **Unpaid tax/fees/penalties:** The total outstanding due 3/14/19 is: \$2,558.72 from seven (7) permit holders.

First Notice	Second Notice	Third Notice	ACH REJECT	Attorney	Settlement/ Payment Plan	Collections
\$ 95.69		\$ 7.47	\$ 136.13		\$ 33.73	\$ 25.19
\$ 43.06		\$ 5.97			\$ 27.23	
\$ 628.20					\$ 536.72	
\$ 125.24					\$ 209.56	
\$ 290.76					\$ 181.44	
\$ 55.90					\$ 90.60	
\$ 1.66					\$ 59.22	
\$ 4.95						
\$1,245.46	\$0.00	\$13.44	\$136.13	\$0.00	\$1,138.50	\$25.19
\$ 2,558.72	Total Outstanding					

- **Permits:** As of 3/14/19 –Sixteen (16) permits were issued – Six (6) were permitted as a result of compliance efforts.
 - Fifteen (15) permits were issued during the same period of 2018
 - As of 3/14/19 there are 1184 permits
-
1. Town of Liberty Grove (56) – undecided - compliance
 2. Town of Gibraltar (50) – seasonal – Note: New owners reduced units from prior owner from 34 to 32 units - compliance
 3. Village of Sister Bay (56) – year -round - compliance
 4. Town of Gibraltar (56) – year round – compliance
 5. Town of Washington (56) – seasonal- compliance
 6. Town of Liberty Grove (56) – year-round

7. City of Sturgeon Bay (56) – year-round
8. City of Sturgeon Bay (56) – year round
9. Town of Gibraltar (53) - year-round
10. Village of Egg Harbor (56) – year- round – 4 units –
11. Village of Sister Bay (53) – year-round
12. Town of Sturgeon Bay (56) – year-round
13. City of Sturgeon Bay (56)– year-round
14. Town of Sevastopol (56) – seasonal – compliance
15. City of Sturgeon Bay (56) – year-round
16. Town of Gibraltar (56) – year-round

- **VRBO/ Homeaway/ Vacationrentals.com** : As of 3/7/19 VRBO lists that there are 583 listings – the audit reflects 573 with 14 listings not located in Door County. Homeaway/ Vacationrentals.com both list 583 for Door County.

- ✓ Commercial Properties represent 7.77%% (44) of the listings on VRBO for Door County.
- ✓ Non-Commercial Properties represent 90.74% (529) of the listings on VRBO for Door County.

- **The following listings are unpermitted on VRBO/Homeaway:**

- Unpermitted Listing #1: 1335047 – no leads on owner (timeshare Rushes)
- Unpermitted Listing #2: 1451363 – Final notice sent 11/29/18 with a deadline of 12/14/18. Matter sent on to attorney. Heard from owners, they are working on the permit. 2/7/19 I have continued to work with owners via telephone.
- Unpermitted Listing #3: #1559275 – Letter sent 3/7/19
- Unpermitted Listing #4: #1564582 – Looking for owner information
- Unpermitted Listing #5: #1320444 – Looking for owner information

MUNI		# of VRBO Properties
2	Baileys Harbor	67
6	Clay Banks	4
8	Town of Egg Harbor	61
9	Village of Egg Harbor	47
11	Ephraim	49
12	Gibraltar	89
13	Village of Forestville	0
14	Town of Forestville	0
15	Jacksonport	24
27	Nasewaupee	23
32	Liberty Grove	60
33	Sevastopol	39
34	Sister Bay	37
35	City of Sturgeon Bay	28
36	Town of Sturgeon Bay	19
39	Gardner	8
42	Union	3
46	Washington Island	15
		573
	Not in Door County	14
587		VRBO website lists 583 for Door County

- ✓ **Airbnb:** As of 3/5/19, Airbnb lists 520 properties for Door County. The audit reflects 487 in Door County with 24 not in Door County= 511. There is a variance of 9 listings.
 - Commercial Properties represent 24.43% (119) of the listings on Airbnb for Door County.
 - Non-Commercial Properties represent 75.56% (368) of the listings on Airbnb for Door County.

MUNI		# of Airbnb Properties
2	Baileys Harbor	39
4	Brussels	0
6	Clay Banks	1
8	Town of Egg Harbor	45
9	Village of Egg Harbor	27
11	Ephraim	37
12	Gibraltar	63
14	Town of Forestville	1
15	Town of Jacksonport	9
27	Nasewaupee	13
32	Liberty Grove	57
33	Sevastopol	23
34	Sister Bay	20
35	City of Sturgeon Bay *	111
36	Town of Sturgeon Bay	14
39	Gardner	5
42	Union	2
46	Washinton Island	20
	NOT IN DOOR COUNTY	24
	487	TOTAL IN DC
	511	Total Door County Listings
Airbnb lists 520 on 3/5/19 for the Door County Search - variance of 9 listings		
*Footnote: White Lace Inn in the City of Sturgeon Bay is permitted for 19 but has 32 Airbnb Listings - please take this into consideration as you review the municipal breakdown of listings.		

✓ **The following listings are unpermitted on Airbnb:**

- Unpermitted Listing #1 : #23008138: NO LEADS TIMESHARE WHOLESALER
- Unpermitted Listing #2: #23709001: NO LEADS TIMESHARE WHOLESALER
- Unpermitted Listing #3: #27284807 – Meadow Ridge – NO LEADS
- Unpermitted Listing #4: #5974438 – Charisma Sail Boat – ongoing issue of re-appearing. Owner is snoozing listing rather than deactivating. I will continue to try and resolve – Final deadline 3/15/19.
- Unpermitted Listing #5: #23879942 – Letter sent 2/1/19. Property removed from Airbnb as of 3/5/19 – Watch status.
- Unpermitted Listing #6: #8146241- deactivated permit now active email sent 2/25/19 and 3/12/19.
- Unpermitted Listing #7: #31407998 –Email sent – current permit holder with new property.

✓ **Facebook** – Nothing to report.

✓ **Craigslist** – Nothing to report.

✓ **Local Publications-** Two (2) job postings for cleaning for properties that are unpermitted.

✓ **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are 66 rentals (68 rentals last month). Flipkey has 67 listings (69 listings last month) for Door County. All are permitted.

State Budget Information:

The State budget included the following language:

10. E-Commerce Marketplace Providers

The Governor recommends clarifying current law to explicitly require Internet marketplace providers to collect and remit sales and use tax on taxable sales facilitated by the marketplace on behalf of third parties. This provision is expected to increase collection of taxes already owed to the state by \$26.8 million in FY20 and \$67.1 million in FY21.

The language is interesting because:

- Wisconsin Tax Appeals 2014 decision (which was again upheld in February 2016) (decision information below) and
- According to the Travel Technology Association, which represents the online travel industry, **courts in 23 states have found that online travel agencies do not operate hotels or resell hotel rooms as retailers, placing them outside the scope of occupancy taxes.** While the language doesn't say lodging taxes, I think it is something we need to watch closely.

Background on the Orbitz decision – Orbitz v. Wisconsin Department of Revenue:

The 2014 decision says that what Orbitz provides is fundamentally different from what the statute taxes. The finding was that the tax applies only to the proceeds Orbitz forwards to the hotels as payments for the reserved rooms and not to the additional compensation retained by Orbitz. The issue lies with not extending the definitions and terms of Wis. State § 77.52 (2).

My guess is that this budget item is an attempt to clean up:

- 1) The definition of furnishing of rooms or lodging is not part of the Merchant Model -77.52(2)(a)1
 - a. The decision noted that Orbitz does not purchase rooms for resale; Orbitz does not pay the hotels for the rooms then solicit customers to buy from its inventory. This does not meet the criteria for "furnishing accommodations" under State stat.
- 2) The imposition statute at issue, taxes those who sell, perform or furnish the services listed in the subsection. The activities of companies like Orbitz are not listed as a service in the subsection.
- 3) §77.52(2)(a) does not clearly impose a tax on the mark-up compensation Orbitz receives from its customers for its reservation facilitation services – currently there is no reach of the taxing authority.

- WH&LA is in discussions with the state DOR about language in the budget that is intended to clarify that the **large online platforms** that promote and process lodging transactions for you will need to collect and remit all sales taxes and local room taxes on the gross price of the sale that they collect from the guest. We know that the language is intended to correct wording that previously provided a loophole in an Orbitz court case back in 2008, now utilizing the fact that business models have changed considerably since then. The included new "**Marketplace Provider**" and "Marketplace Seller" language would go well beyond lodging (such as with Lyft and Uber too), but as it intertwines with the "Lodging Marketplace" language in our laws already, we need to clarify the true impact. The potential could be great for expanding more local room tax revenue, but the details matter. Stay tuned for further information from us soon.

January 2019

Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel (50)	\$191,347.49	10783	2045	18.97%	\$93.57
Resort (51)	\$514,620.31	29713	4438	14.94%	\$115.96
Inn (52)	\$54,624.67	3297	430	13.04%	\$127.03
Total Commercial	\$760,592.47	43,793	6,913	15.79%	\$110.02
Condo (53)	\$165,491.69	6205	1393	22.45%	\$118.80
Bed & Breakfast (54)	\$54,760.49	2236	263	11.76%	\$208.21
Cottage/House/Cabin (55/56)	\$174,033.41	9,227	895	9.70%	\$194.45
Other (59)	\$315.00	7	3	42.86%	\$105.00
Total Non-Commercial	\$394,600.59	17,675	2,554	14.45%	\$154.50
TOTALS	\$ 1,155,193.06	61,468	9,467	15.40%	\$122.02

January 2018

Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel (50)	\$319,430.05	16035	3897	24.30%	\$81.97
Resort (51)	\$659,147.03	38731	6622	17.10%	\$99.54
Inn (52)	\$52,400.72	3719	404	10.86%	\$129.70
Total Commercial	\$1,030,977.80	58,485	10,923	18.68%	\$94.39
Condo (53)	\$153,405.15	5947	1366	22.97%	\$112.30
Bed & Breakfast (54)	\$66,127.24	2030	325	16.01%	\$203.47
Cottage/House/Cabin (55/56)	\$98,743.87	7,280	613	8.42%	\$161.08
Other (59)	\$1,055.00	180	9	5.00%	\$117.22
Total Non-Commercial	\$319,331.26	15,437	2,313	14.98%	\$138.06
TOTALS	\$ 1,350,309.06	73,922	13,236	17.91%	\$102.02

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)	(\$128,082.56)	-5,252	-1,852	-5.33%	\$11.60
Resort (51)	(\$144,526.72)	-9,018	-2,184	-2.16%	\$16.42
Inn (52)	\$2,223.95	-422	26	2.18%	(\$2.67)
Total Commercial	(\$270,385.33)	-14692	-4010	-2.89%	\$15.64
Condo (53)	\$12,086.54	258	27	-0.52%	\$6.50
Bed & Breakfast (54)	(\$11,366.75)	206	-62	-4.25%	\$4.74
Cottage/House/Cabin (55/56)	\$75,289.54	1947	282	1.28%	\$33.37
Other (59)	(\$740.00)	-173	-6	37.86%	(\$12.22)
Total Non-Commercial	\$75,269.33	2238	241	-0.53%	\$16.44
TOTALS	\$ (195,116.00)	-12,454	-3,769	-2.50%	\$20.01

- Code 55 has been merged into 56 for 2019
- Code (54) B&B - all reported in comparison to Y of Y
- Code 50 has 4 properties that reported in 2018 and not in 2019
- Code 51 - has 5 properties that reported in 2018 and not 2019
- Code59 - one property closed for good that was year round

REMOVED PROPERTIES 2/14/19 TO 3/14/19

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Baileys Harbor	02-56-0110-00	2/20/19	South Nest Retreat	8734 E Moonlight Bay Road	Nancy Rafal	Long term rentals.
Town of Liberty Grove	32-56-1705-06	2/26/19	Le Jardin	11635 Beach Road	Marianne Roppuld	Sold re-permitted #2067
Town of Sevastopol	33-56-0723-00	3/7/19	Godfrey	5086 Cave Point Road	Cynthia Godfrey	Sold at Sheriff Sale – new permit #2075
Town of Sevastopol	33-56-1108-01	3/12/19	Sweeping Sands	3988 Glidden	Jackie Anclam	No Longer renting.
City of Sturgeon Bay	35-56-2069-00	3/12/19	Almost Like Home Countryside	1701 Delaware	Jerome Kobishop	Financial Complications – newly permitted on 3/4/19

/