



DOOR COUNTY TOURISM ZONE COMMISSION
Administrator's Report
October 2019

2019 "NO REPORTS":

- The number of **May 2019** "No reports": On 7/15/19 there were eighty (80) properties to report.
 - As of 8/9/19 there are still twenty-three (23) properties to report.
 - As of 9/11/19 there are still nine (9) properties to report. (2018 down to 3)
 - As of 10/9/19 there are still five (5) properties to report. (2018 down to 2)
- The number of **June 2019** "No reports": On 8/7/19 there were 92 owner - managed properties and eight (8) agent- managed properties to report for a total of one hundred (100) properties to report for June 2019.
 - As of 9/11/19 there are still seventeen (17) properties to report. (2018 down to 18)
 - As of 10/9/19 there are still eight (8) properties to report. (2018 down to 4)
- The number of **July 2019** "No reports": On 9/11/19 there were seventy-nine (79) owner - managed properties and six (6) agent managed properties to report for a total of eighty-five (85) properties to report for July 2019. (81 properties 2018 owner/agent combined)
 - As of 10/9/19 there are still twenty-three (23) properties to report. (2018 down to 12)
- UNPAID TAX/FEES/PENALTIES:** The total outstanding due 10/9/19 is: \$7,436.92 from fifteen (15) permit numbers. (\$1,880.47 in 2018)

First Notice	Second Notice	Third Notice	ACH REJECT	Attorney	Settlement/ Payment Plan	Collections
\$ 408.89		\$ 4.74	\$ 196.99	\$ 542.96	\$ 25.17	
\$ 1,027.66		\$ 25.37	\$ 181.87	\$ 128.18	\$ 90.60	
\$ 858.94		\$ 25.39	\$ 243.54	\$ 297.70	\$ 59.22	
\$ 804.59		\$ 7.76	\$ 127.14	\$ 56.82	\$ 79.32	
\$ 220.00		\$ 3.54	\$ 138.20	\$ 89.08	\$ 263.77	
\$ 4.58		\$ 25.27	\$ 36.22	\$ 472.62	\$ 277.61	
\$ 275.00				\$ 438.18		
\$3,599.66	\$0.00	\$92.07	\$923.96	\$2,025.54	\$795.69	\$0.00
\$7,436.92	Total Outstanding					

- PERMITS:** As of 10/10/19 – Twenty (21) permits were issued – Six (6) were permitted as a result of compliance efforts.
 - Fourteen (14) permits were issued during the same period of 2018
 - As of 10/10/19 there are 1260 permits (1254 September- 1232 August-1238 July)
 - Property Type Codes: (50) Hotel/Motel, (51) Resort, (52) Inn, (53) Condo, (54) B&B, (56) Cottage/Cabin/Home, (59) Other.
- Town of Liberty Grove (56) – Year- round
 - Village of Sister Bay (56) – Year -round (not operating until 2020)
 - Town of Jacksonport (56) – Year-round
 - Town of Egg Harbor (56) – Year-round (not until 2020)
 - Town of Nasewaupee (56) – year-round
 - Town of Sevastopol (56) – year-round – compliance
 - Town of Liberty Grove (56) – year-round
 - Town of Baileys Harbor (56) – year-round – compliance
 - Town of Jacksonport (56) year-round – compliance
 - Town of Jacksonport (56) – seasonal

19. Town of Gibraltar (56) – year-round – compliance
20. Town of Gardner (56) – year-round – compliance
21. Town of Sturgeon Bay (56) – year-round

19. Town of Gibraltar (56) – year-round – compliance
20. Town of Gardner (56) – year-round – compliance
21. Town of Sturgeon Bay (56) – year-round

MUNI		# of VRBO Properties	50 Hotel/ Motel	51 Resort	52 Inn	53 Condo	53 Condo @ commercial property	54 B&B	55/56 Cottage Cabin Homes	59 OTHER	No permit req 30+	Total	Commercial	Non Commercial
2	Baileys Harbor	69	0	0	1	0	0	0	68	0		69	1	68
4	Brussels	0	0	0	0	0	0	0	0	0		0	0	0
6	Clay Banks	3	0	0	0	0	0	0	3	0		3	0	3
8	Town of Egg Harbor	64	0	0	0	0	30	0	34	0		64	30	34
9	Village of Egg Harbor	47	0	0	0	5	0	0	40	2		47	0	47
11	Ephraim	52	0	0	0	0	0	0	52	0		52	0	52
12	Gibraltar	87	0	1	0	20	3	1	60	0	2	87	5	82
14	Town of Forestville	0	0	0	0	0	0	0	0	0		0	0	0
15	Town of Jacksonport	32	0	0	0	5	1	0	26	0		32	1	31
27	Nawawoupee	25	0	2	0	0	0	0	23	0		25	2	23
32	Liberty Grove	67	0	2	0	3	0	0	62	0		67	2	65
33	Sevastopol	40	0	0	0	0	0	0	40	0		40	0	40
34	Sister Bay	50	0	1	0	14	0	0	35	0		50	1	49
35	City of Sturgeon Bay	29	0	0	0	6	0	2	21	0		29	2	27
36	Town of Sturgeon Bay	19	0	0	0	0	0	0	19	0		19	0	19
39	Gardner	10	0	0	0	0	0	0	10			10	0	10
42	Union	5	0	0	0	0	0	0	5	0		5	0	5
46	Washington Island	16	0	0	0	0	0	0	16	0		16	0	16
Totals for Door County			0	6	1	53	34	3	514	2	2	615	44	571
		TOTAL IN DC	Commercial				Non Commercial							
615			7.15%				92.85%							615

- Unpermitted Listing #1: #1335047 – no leads on owner (timeshare Rushes)

- ✓ **Airbnb:** As of 10/2/19, Airbnb lists 663 properties for Door County. The audit reflects 615 properties located in Door County. 48 properties are not located in Door County.

MUNI	# of Airbnb Properties 8/1/19	# of Airbnb Properties 9/9/19	# of Airbnb Properties 10/2/19
2 Baileys Harbor	51	57	57
4 Brussels	0	0	0
6 Clay Banks	1	1	1
8 Town of Egg Harbor	54	56	55
9 Village of Egg Harbor	31	30	31
11 Ephraim	46	47	47
12 Gibraltar	88	91	92
14 Town of Forestville	1	1	1
15 Town of Jacksonport	15	13	13
17 Nasawaupee	19	20	20
32 Liberty Grove	68	69	72
33 Sevastopol	29	29	30
34 Sister Bay	32	33	33
35 City of Sturgeon Bay *	129	115	116
36 Town of Sturgeon Bay	12	12	13
39 Gardner	15	15	15
42 Union	2	2	2
46 Washington Island	25	25	18
NOT IN DOOR COUNTY	44	46	48
TOTAL IN DC	618	616	615
Total All Door County Listings	662	663	
Airbnb lists 670 on 8/1/19 for the Door County Search - audit is off 8 properties			
Airbnb lists 668 on 9/9/19 for the Door County Search			
Airbnb lists 663 on 10/2/19			

	# of Airbnb Properties	50 Hotel/Motel	51 Resort	52 Inn	53 Condo	53 Condo @ commercial property	54 B&B	55/56 Cottage Cabin Homes	59 OTHER	30+ day	Total	Commercial	Non Commercial
Baileys Harbor	57	2	0	0	0	0	0	49	0	0	57	8	49
Brussels	0	0	0	0	0	0	0	0	0	0	0	0	0
Clay Banks	1	0	0	0	0	0	0	1	0	0	1	0	1
Town of Egg Harbor	55	0	0	0	2	26	0	23	4	0	55	26	29
Village of Egg Harbor	31	1	0	0	8	0	0	21	1	0	31	1	30
Ephraim	47	4	7	0	0	0	0	36	0	0	47	11	36
Gibraltar	92	10	2	7	22	0	7	42	0	2	92	26	66
Town of Forestville	1	0	0	0	0	0	0	1	0	0	1	0	1
Town of Jacksonport	13	0	0	0	0	0	0	13	0	0	13	0	13
Nasawaupee	20	0	3	0	0	0	0	17	0	0	20	3	17
Liberty Grove	72	0	0	0	2	0	1	69	0	0	72	1	71
Sevastopol	30	0	0	0	0	0	5	25	0	0	30	5	25
Sister Bay	33	2	0	0	7	0	0	24	0	0	33	2	31
City of Sturgeon Bay	115	20	0	19	6	0	9	59	2	0	115	48	67
Town of Sturgeon Bay	13	0	0	0	0	0	0	13	0	0	13	0	13
Gardner	15	8	0	0	2	0	0	5	0	0	15	8	7
Union	2	0	0	0	0	0	0	2	0	0	2	0	2
Washington Island	18	0	0	0	0	0	0	17	1	0	18	0	18
Door County	47	12	32	49	26	22	417	8			615	139	476
615													
Total Door County Listings													
Commercial 22.60% Non Commercial 77.40%													

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

- Unpermitted Listing #1: #23008138: NO LEADS TIMESHARE WHOLESALER
- Unpermitted Listing #2: #37886362: NO LEADS TIMESHARE WHOLESALER
- Unpermitted Listing #4: #: #34364786 – still looking for owner of m/v docked at the Yacht Harbor – USCG looking into. Filed FOIA requests with the USCG for owner information. The vessel is a USCG documented boat. (
- Unpermitted Listing #5: #378802824 – compliance letter sent 9/10/19, 9/24/19 & 10/9/19 – final notice with deadline).
- Unpermitted Listing #6: # 39081225- compliance letter sent 10/10/19.



- ✓ **Facebook** – One (1) property has received compliance letters from FB posts. Waiting on certification of non-rental.

- ✓ **Craigslist** – One (1) property has received a compliance letter.

- ✓ **Zillow** – Nothing to report.

- ✓ **Local Publications**- Nothing to report.

- ✓ **TRIPADVISOR/FLIPKEY:** Currently on TripAdvisor there are 390 rentals (67 rentals last month). VRBO properties are being picked up on Tripadvisor – it has become more of a spider of listings rather than unique listings.

 <p>1 / 27</p>	<p>4 bedroom sunset views!</p> <p>4 Bedrooms, 3 Bathrooms, Sleeps 12 Quick View</p>	<p>Vrbo</p> <p>Check in Check out</p> <p>Show Prices</p>
 <p>1 / 26</p>	<p>Newly constructed Condominium in the he...</p> <p>2 Bedrooms, 2 Bathrooms, Sleeps 4 Quick View</p>	<p>Vrbo</p> <p>Check in Check out</p> <p>Show Prices</p>

- ✓ Flipkey has 79 listings (66 listings last month) for Door County. All are permitted.
- ✓ **Vacasa** – a new and up and coming site that just bought out Wyndham Vacation Rentals – no listings for Door County, yet.
- ✓ **Vacayhome** – a new company. I called them on 8/6/19 to discuss local municipal room tax and permitting requirements. They asked for an email with information and said the person responsible for the listing would respond. So far no response. As of 10/2/19 the listing was removed.

✓VRBO RESPONSE –

- On 9-30-19 I received a phone call from VRBO in response to my attempts to contact the company about issues our permit holders were having with the platform with regards to the reference to county taxes on their website. Please find included at the back of the report notes from the call within an email to Representative Kitchens. There was no response from his office to the information.
- The call only confirmed what we already knew with Airbnb. Lodging marketplaces don't locate properties in such a way that they can guarantee that a properties tax is remitted to the correct municipality or taxing authority.

✓NEW AIRBNB FUNCTION – CUSTOM TAX SETTINGS

FW: New Airbnb function Inbox x



Haines, Rebecca L - DOR

to me

Hi Kim,

Thu, Oct 3, 5:00 PM (7 days ago) ☆ ↩ ⋮

I apologize for the delay in responding. I went to Airbnb's site and found information describing different tax options.

The following site describes the automatic collection of taxes (default taxes) for specific jurisdictions and an option to opt out of default taxes in order to add custom taxes:

<https://www.airbnb.com/help/article/1036/how-does-occupancy-tax-collection-and-remittance-by-airbnb-work>

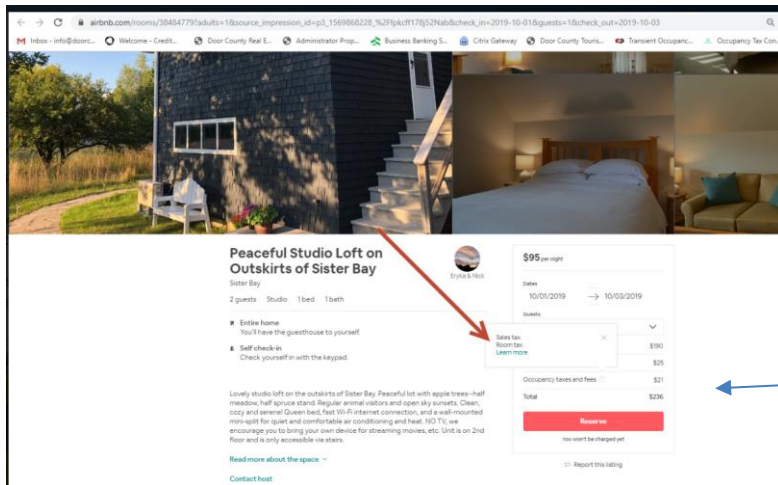
The following site lists multiple methods of collecting taxes manually:

<https://www.airbnb.com/help/article/2496/how-does-manual-occupancy-tax-collection-and-payment-work>

The first listing below appears to charge 11% tax (5.5% state and county sales tax +5.5% room tax) on \$190. Perhaps this listing was created using the "custom tax" option.

The second listing appears to charge 5.5% (5% state and .5% county sales tax) on \$190 which may reflect "default tax" collection.

We will reach out to Airbnb for more information on the new offerings.

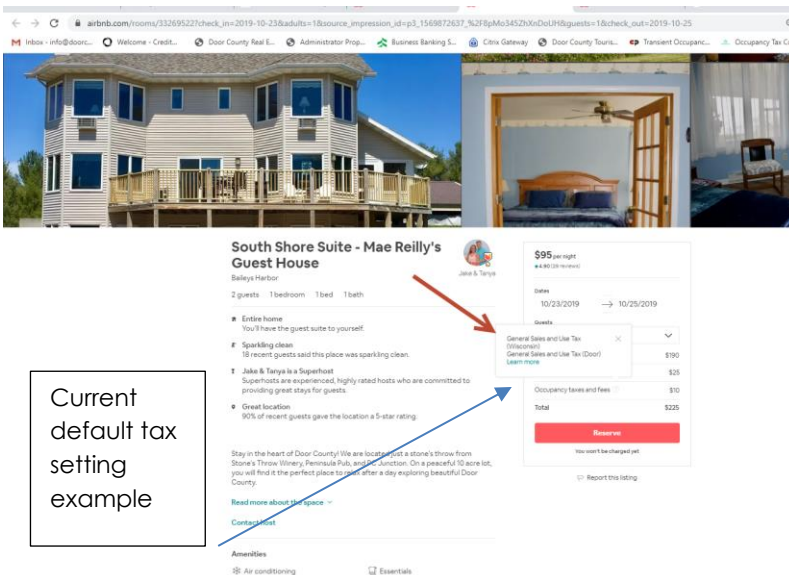


Hi Becky,

Have you heard of custom taxes on Airbnb? It looks like the sales and room tax would be directly remitted to the host and it would be up to the host to remit to the appropriate taxing authority... I think this function is new?

I wasn't sure how to advise the host that contacted me, she just created this listing over the weekend and you can clearly see the tax collection lines look very different in the reservation I began.

I advised her to reach out to Airbnb about where the money goes with these custom settings (all to her/ 5.5% to state, etc?). But I asked her to reach out to you directly for the state information just so that she gets off on the right foot as a new host. I asked her to reach out to you because I didn't think there was an "opt out" of the collection of sales tax with Airbnb and it seems this custom setting does just that. Perhaps I am missing something but wanted to check in with you.



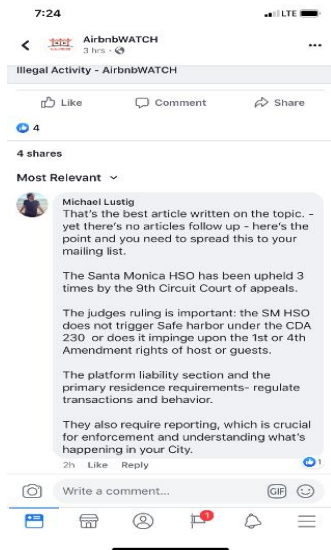
- I have sent the Airbnb Custom Tax information to a few key property management companies and super hosts to see what they can find out as well.
- <https://www.airbnb.com/help/article/2523/how-do-i-add-custom-taxes-to-my-listings>

✓ Airbnb settlement with Palm Beach County – Please see article at the back of the report.

- I have reached out to Ms. Gannon who is the Palm Beach County Tax Collector to see if she has any insight or advice in dealing with Lodging Marketplaces. I have been watching her take on Lodging Marketplaces for the last couple of years. I have not heard back from her.
- Palm Beach County recently achieved a settlement against Airbnb. The settlement is a step in the right direction for information sharing and transparency.

- "We are constitutional officers and under our oath of office we are obligated to collect taxes under the contract we have with the county," Gannon wrote in an email to The Palm Beach Post. "[Airbnb] only want(s) to remit a bulk payment monthly."
- The Local Option Act allows counties to impose bed taxes on a "dealer" for vacation rentals or leases. Airbnb said it shouldn't be subject to these requirements because it is not considered a "dealer" of short-term vacation rentals, but rather a platform for these "dealers."
- Palm Beach County was sued by Airbnb and HomeAway in November after commissioners approved the first iteration of vacation rental rules. The separate lawsuits, now enjoined, said the regulations violate state and federal law and that complying with the county's rules would violate their customer's rights, respectively. The case is ongoing in federal court.

✓ **SECTION 230 / Santa Monica Home Sharing Ordinance- Please see article at the back of the report. Separate article explaining Section 230 CDA.**



The Santa Monica case is important for a number of reasons. Note in the article all the support Santa Monica received from other areas to defend the case against the Lodging Marketplaces. The case was upheld three times by the Court of Appeals. The judge ruled that CDA 230 (see final article about CDA 230 in report) was not triggered nor are the requirements (including reporting) violating 1st or 4th amendment rights of hosts or guests.

A three-judge panel of the United States Court of Appeals for the Ninth Circuit ruled that the law did not violate the Communications Decency Act or the First Amendment, upholding a prior ruling.

"Like their brick-and-mortar counterparts, internet companies must also comply with any number of local regulations concerning, for example, employment, tax, or zoning," Ninth Circuit Judge Jacqueline Nguyen wrote. "Because the ordinance would not pose an obstacle to Congress's aim to encourage self-monitoring of third-party content, we hold that obstacle preemption does not preclude Santa Monica from enforcing the ordinance."

The article referred to in the screen shot above is a must read on the subject, <https://outline.com/zD9S2U>

✓The AH&LA is seeking legislation to remove loopholes used by lodging marketplaces to avoid having to comply with local requirements. The bill is sitting in the House Energy Committee. At the very least, on a national level web companies' protections are being discussed and examined. A recent survey reported the following:

- 76% of those surveyed believe lodging marketplaces should be held accountable to comply with local requirements.
- 73% support an amendment to Section 230 of the Common Decency Act "CDA" to stop lodging marketplaces from invoking federal law to avoid compliance with state and local ordinances.
- The AH&LA states that Lodging Marketplaces are stretching Section 230 beyond the intent of the law to bully state and local government.
- "A recently introduced bill would strip online rental websites like Airbnb, HomeAway and Flipkey of federal protections that for years have given internet platforms legal immunity over content posted by third parties. The Protecting Local Authority and Neighborhoods Act, introduced by Rep. Ed Case (D-Hawaii) on Friday, would make internet platforms liable when they host advertising for short-term rentals that violate state and city laws. "([ALEX GANGITANO](#) - 09/12/19 06:00 AM EDT, THE HILL)

→BY PROPERTY REPORT:

August 2019					
Type	Revenue	Units Available	Units Filled	% Occupancy	ADR
Hotel/Motel (50)	\$4,196,853.28	36,612	29,050	79.35%	\$144.47
Resort (51)	\$8,176,391.97	51,608	39,460	76.46%	\$207.21
Inn (52)	\$773,377.66	6,296	4,831	76.73%	\$160.09
Total Commercial	\$13,146,622.91	94,516	73,341	77.60%	\$179.25
Condo (53)	\$1,318,042.34	8,287	6,364	76.79%	\$207.11
Bed & Breakfast (54)	\$478,921.82	3,587	2,445	68.16%	\$195.88
Cottage/House/Cabin (55/56)	\$5,154,214.79	29,826	20,023	67.13%	\$254.41
Other (59)	\$86,351.71	1,592	793	49.81%	\$108.89
Total Non-Commercial	\$7,037,530.66	43,292	29,625	68.43%	\$237.55
TOTALS	\$ 20,184,153.57	137,808	102,966	74.72%	\$196.03
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)	\$4,458,211.20	28,701	18,223	63.49%	\$244.65
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
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)	\$321,112.74	666	2,115	4.42%	\$0.58
Resort (51)	\$392,766.39	-674	1,057	3.01%	\$4.53
Inn (52)	\$59,171.53	115	449	5.84%	(\$2.90)
Total Commercial	\$773,050.66	107	3621	3.75%	\$1.78
Condo (53)	\$123,857.44	59	518	5.74%	\$2.84
Bed & Breakfast (54)	\$3,911.32	88	149	2.54%	(\$11.01)
Cottage/House/Cabin (55/56)	\$696,003.59	1125	1800	3.64%	\$9.76
Other (59)	\$19,418.26	417	236	2.41%	(\$11.28)
Total Non-Commercial	\$843,190.61	1689	2703	3.72%	\$7.47
TOTALS	\$ 1,616,241.27	1,796	6,324	3.66%	\$3.90

→REMOVED PROPERTIES 9/12/19 TO 10/10/19

Municipality	Permit #	Removed	Lodging Name	Lodging Address	Owner	Reason for Removal
Town of Gardner	39-56-2121-00	9/24/19	Almost Like Home Bayside Cottage	3499 Weldon Court	Jerome & Sheryl Kobishop	Property Sold.
Town of Sturgeon Bay	36-56-1017-00	9/26/19	Sandy Pause Cottage	3306 Lake Forest Park	Loretta Robertoy	Long term rentals only.
City of Sturgeon Bay	35-56-1673-00	10/2/19	Neenah St Holdings	223 S Neenah Ave	Rob Kifer	No longer renting.
Town of Liberty Grove	32-56-0486-00	10/3/19	The Cro's nest	836 Wisconsin Bay	Jack Kerpan	Property sold.
Village of Sister Bay	34-53-2022-18	10/3/19	Marina View Condo #103	10722 Bayshore Drive	Marina Development	Unit sold – not being used for rentals.
Village of Sister Bay	34-53-2020-18	10/3/19	Marina View #101	10722 Bayshore Drive	Marina Development/Allen Gokey	Unit Sold #101 became permit number 34-53-2150-00
Village of Sister Bay	34-53-2021-18	10/3/19	Marina View #102	10722 Bayshore Drive	Marina Development	Unit Sold – became permit number 34-53-2214-18
Town of Gardner	39-56-2189-00	10/9/19	Bay House	2769 Bay Road	Scott Giese	Property Sold. Re-permitted as 39-56-2219-00
Village of Egg Harbor	09-59-1717-00	10/9/19	Meadow Ridge Jackson	7573 STH 42	Douglas Jackson	Property Sold.

Correspondence with VRBO

Door County Tourism Zone <info@doorcountytourismzone.com>

Mon, Sep 30, 2019 at 2:55 PM

To: "Rep.Kitchens" <Rep.Kitchens@legis.wisconsin.gov>, "Adam.Tobias@legis.wisconsin.gov" <Adam.Tobias@legis.wisconsin.gov>

Cc: "William Vande Castle, Esq." <wvscgb@netnet.net>, "rteuber@vonbriesen.com" <rteuber@vonbriesen.com>, Jim Nellen <jwnellen2@gmail.com>, Josh Van Lieshout - City of Sturgeon Bay <jvanlieshout@sturgeonbaywi.org>, "Andrew T. Phillips" <aphillips@vonbriesen.com>

Bcc: Jane Hillstrom <Jane@hillstrompr.com>

Representative Kitchens,

I've been asked to keep you apprised with our attempts to communicate and work with Lodging Marketplaces. The latest communication requires a little background:

On August 30th, 2019 I sent an email VRBO/Homeaway and Expedia because of issues our permit holders have been experiencing since changes were implemented on the platform on June 1, 2019. Many of our permit holders were confused and getting misinformation from customer service at VRBO/Homeaway. The platform began collecting State Sales Tax on June 1, at which time they also took away the hosts ability to collect local municipal room tax that had always been in place. Not only was there confusion with what was being collected, they left their hosts at the start of tourist season with few options to collect local municipal room tax. I referred several permit holders to your office (Paulette) as a result of these issues.

The communication that was sent to hosts by VRBO/Homeaway (below) reflects State Sales and Use tax of 5.0% and the County Sales and Use tax of .5%. County Sales and Use tax is separate and distinct from local municipal room tax which is an additional 5.5% that is levied by the Commission on behalf of the 19 Door County Municipalities.

Taxes			
Based on the location of your property, Vrbo is obligated to collect and remit taxes on the bookings at your rental property. The table below shows which taxes HomeAway will collect.			
Vrbo will send these taxes to the appropriate government agencies.			
Taxing authority	Government level	Tax rate	Taxable amounts
WISCONSIN	State	5%	Rent & Your Fees
DOOR	County	0.5%	Rent & Your Fees

The above language is confusing to hosts. Most believe that the reference to "Door County" is synonymous with the Door County Room Tax Commission. Many misinterpret the information and feel that room tax is being paid by VRBO/Homeaway. We directly asked that VRBO/Homeaway assist their hosts by noting that the platform doesn't collect local municipal room tax. The full email is attached.

There was no response from VRBO/Homeaway (Expedia) until September 26, 2019.

I received a phone call on September 26, 2019 from VRBO. This phone call demonstrates the indifference that we have experienced from our attempts to work with Lodging Marketplaces. There is no consideration for the legitimate concerns of municipalities that room tax receipts can be properly remitted by Lodging Marketplaces. Additionally, they are unwilling to provide clarification on their site to assist their hosts. Unfortunately, often times it leaves the host with a choice of who to believe.

Lodging Marketplaces continue to tell municipalities how they are going to collect and remit local municipal room tax with total disregard of what we need to do our job in order to fulfill statutory and fiduciary duties.

We are supposed to trust the Lodging Marketplace "honor system" that has now been created over the last couple cycles of legislation. Wisconsin municipalities are expected to trust that the lump sum, aggregate check contains all room tax due to our municipalities. In turn, without any reporting information to verify and reconcile, we are supposed to distribute room tax revenues while ensuring fair and equitable room tax distribution to our member municipalities. As a Tourism Zone Commission, we are not allowed to "guess" what a municipality should receive. Money that comes to us in an aggregate check would have to be placed in a "suspense account" and possibly held there indefinitely. There would be no method for the tax to be distributed back to the municipality in which it was collected as required by State Statute.

This "honor system" may pose issues with municipal auditing requirements for many Wisconsin municipalities. This should be a real concern. Wisconsin municipalities need data transparency and cooperation from Lodging Marketplaces; this will only happen if the State of Wisconsin takes the necessary steps to ensure the law provides these protections and requirements. Clearly, Lodging Marketplaces have no intention of working with local municipalities.

Below are the notes from the phone call with VRBO/Homeaway. We also have received no response from our communications with Airbnb and Avalara (registered agent for Airbnb) to begin to work out the details of reporting (please see attached letter to Airbnb/Avalara). We have been directed by the WI DOR to work directly with Airbnb (Lodging Marketplaces) please see the letter from Secretary Barca attached to this email. The lack of response from Airbnb and Avalara demonstrates that Lodging Marketplaces are going to ignore local requirements unless the State steps in to clarify and require reporting requirements.

At 1:40 pm 9/26/19 I received a call from Nick at VRBO/Homeaway (expedia).
He wanted to assure me that my inquiry sent last month (August 30th) had been escalated to his department.
He advised me that the changes were made due to state law and they feel that they have completed due diligence in informing their hosts of what they do and don't collect. They will not be adjusting their information on the site. He acknowledged the amount of hosts that have complained / confused.
He advised me that they are not concerned about making changes because effective January 1 they will begin collecting room tax. That will resolve the issues we (hosts) are currently experiencing.
I asked if they had designated an agent or if they would be doing the room tax reporting.
He said that they have designated Avalara. (Same company as Airbnb)
I asked if they would be supplying the reporting information, he said no. The pay in aggregate.
I asked how we were supposed to do our job with no information to allocate funds.
He said that they have run into this before - in certain areas have had multiple line on returns for different municipalities (still lump sum totals, but one total for each municipality)
I asked about location by zip. I explained how zip codes don't line up with municipal boundaries.
He said they have geo-coding.
I pressed for him to explain geo-coding
He said it is mainly zip+4.
He went on to say that they just had issues in Colorado and there are ways to straighten it out. They do testing ahead of time to make sure it all looks right. But they will not provide owner or location data- so no information/data (he said they legally can't or something along those lines).
I asked if they could match/provide listing ID's - I explained our database. I said we were willing to work with them to make this situation workable for all involved. He again stressed that it would be a lump sum payment.
He did give me a direct email and I captured his phone number on the caller ID. ha_indirect_tax@expedia.com 737-346-0987 originating from Austin Texas.

If you feel this information would be helpful in working with the WI DOR, please feel free to forward.

Respectfully,

Kim Roberts
Administrator
Door County Tourism Zone Commission
P.O. Box 55
10568 Country Walk Lane Unit 102
Sister Bay WI 54234
920.854.6200

www.doorcountytourismzone.com
info@doorcountytourismzone.com


Office hours: Monday - Friday 8 AM - 4 PM

To file your room tax online: <https://innline.com//RoomTax/newlogin/>

3 attachments

 **VRBO letter 8-30-19.pdf**
109K

 **Airbnb Avalara Notice DCTZC.pdf**
2130K

 **20190801081628757.pdf**
116K

reinforces Palm Beach County short-term rental tax law

State & Local News Sep 24, 2019 | Jennifer Sokolowsky



Share:

Airbnb and HomeAway have made agreements with Palm Beach County that will require short-term rental hosts to **obtain and use tax identification numbers**. The deal settles one of several lawsuits between the online short-term rental platforms and Palm Beach County Tax Collector Anne Gannon.

Under the settlement, starting November 7, the platforms will not allow properties without tourist development tax and business tax receipt numbers to advertise on their sites.

At that time, the platforms will begin sharing information with the county on which properties are listed, and the county will check the tax numbers of those listings to make sure they're valid. Listings with invalid tax numbers will be removed from the sites.

Short-term rentals in Palm Beach County, like hotels, are **required to collect county tourist development tax** (TDT) from their guests and pass the tax on to tax officials. Hosts must create a TDT account with the Palm Beach County Tax Collector's Office and obtain a local business tax receipt for each rental property. This tax generates more than \$50 million annually for tourism promotion in the county.

Palm Beach County hosts must also get a Florida Vacation Rental Dwelling License, obtain a state tax certificate, and collect state taxes.

While Airbnb and HomeAway (and HomeAway affiliate Vrbo) automatically collect state taxes and some county taxes on behalf of their hosts when guests pay, they don't collect Palm Beach County taxes.

Airbnb and HomeAway are currently involved in further lawsuits against Palm Beach County, which wants to require the platforms to collect county tax on behalf of their hosts. In the meantime, Palm Beach County hosts must complete all registrations, collect county tax from guests, and file county tourism tax returns on their own.

MyLodgeTax can help short-term rental hosts automate and simplify lodging tax compliance at the county and state level, including tax registration and filing.

Airbnb also recently came to a **settlement with Miami Beach**. As part of that agreement, Airbnb must include city-issued business tax receipt numbers as well as resort tax registration certificate numbers on every Miami Beach listing.

Airbnb will not be responsible for verifying whether those numbers are valid. The city will check them, and recently announced that short-term rental hosts who provide false business license numbers can be **prosecuted for a criminal offense**. Violating the law can be penalized with 60 days of jail time and/or a \$500 fine.

Santa Monica Home-Sharing Law Stands After Challenge by Airbnb, Inc. and Homeaway.com

August 19, 2019



SANTA MONICA, Calif. — The U.S. Court of Appeals for the Ninth Circuit has reaffirmed (<https://www.santamonica.gov/Media/Default/Attorney/Airbnb%20Decision.pdf>) its rejection of Airbnb, Inc. and Homeaway.com’s challenge to the City of Santa Monica’s Home-Sharing Ordinance, which penalizes the online platforms for unlawfully booking short-term vacation rentals of unlicensed properties in Santa Monica.

Santa Monica’s Home-Sharing Ordinance is a key element of the City’s work to produce, preserve, and protect housing in Santa Monica. The regulation strikes a careful balance: It allows residents to invite visitors into their homes for profit when a resident is present in the home and possesses a City business license; but it otherwise prohibits property owners and online platforms like Airbnb, Inc., and Homeaway.com from booking residential properties for short-term vacation rentals.

Before the Ninth Circuit, Airbnb, Inc. and Homeaway.com argued that the City’s ordinance ran afoul of the Communications Decency Act and the First Amendment because it required the platforms to monitor the content of third-party listings on their sites and remove listings for unlicensed properties. A panel of the Ninth Circuit rejected this argument in March. The panel found that the Ordinance only “prohibits processing transactions for unregistered properties” and does not proscribe, mandate, or even discuss the content of the listings that the Platforms display on their websites. It requires only that transactions involve licensed

properties.” In response to the platforms’ arguments that upholding this local regulation would impose administrative costs and frustrate their business model, the Court declined to “expand [the Communications Decency Act’s] provisions beyond what Congress initially intended” and explained that “[w]e have

consistently eschewed an expansive reading of the statute that would render unlawful conduct magically . . . lawful when [conducted] online, and therefore giv[e] online businesses an unfair advantage over their real-world counterparts.”

On Friday, the Ninth Circuit declined the platforms’ petition requesting that either the panel or an en banc panel drawn from the full Court rehear the case. The City’s Home-Sharing Ordinance thus stands absent a petition by the platforms to the United States Supreme Court.

“We are thrilled to have confirmation from the Ninth Circuit that our balanced approach to home sharing is permitted at a time when housing and affordability continue to challenge the region,” said Santa Monica Mayor Glean Davis. “This is a big win for Santa Monica residents and our residential neighborhoods.”

City Attorney Lane Dilg said, “Santa Monica’s Home-Sharing Ordinance is a lawful regulation and a key element in the City’s efforts to produce, preserve, and protect housing in our community. The Court’s decision will help state and local governments across the country as they work to preserve affordability and protect housing for those who live and work in their regions.”

The City was represented in this case by attorneys from the Santa Monica City Attorney’s Office, including Special Counsel / Chief of Staff George Cardona, who argued the case, Yibin Shen, Heidi Von Tongeln, and Michael Cobden.

The City received amicus support from the City and County of San Francisco; the District of Columbia; the Mayor and City Council of Baltimore; Cook County, Illinois; the City of Columbus, Ohio; the City of Dayton, Ohio; the City of Gary, Indiana; the City of Oakland; the City of Sacramento; the City of Santa Cruz; the City of Seattle; the City of Somerville, Massachusetts; the Public Rights Project; UNITE HERE; the California Apartment Association; the National Multifamily Housing Council; the National Apartment Association; the Apartment Investment and Management Company; Avalonbay Communities, Inc; the Community Associations Institute; the League of California Cities; the International Municipal Lawyers Association; the California State Association of Counties; and a group of professors of business and law from across the country.

Home-Sharing in Santa Monica

After maintaining a multi-decade prohibition against short-term rentals in residential districts, in 2015, the City eased this prohibition by authorizing a form of short-term rentals known as home-sharing, which permits City residents who obtain a City license to host visitors for compensation for a period of less than 31 days, as long as the resident and visitor are both present in the home. Un-hosted short-term rentals of residential housing, known as vacation rentals, remain unlawful in Santa Monica. This legislation struck an important balance by enabling current and prospective residents to supplement income through home-sharing to meet increased rents and housing prices, while ensuring that Santa Monica’s housing units, and particularly affordable units, would not be surreptitiously or openly converted into de facto hotels.

As amended in 2017, this legislation also imposes regulations on businesses. such

The ordinance in 2017, the regulation also imposes regulations on businesses, such as Airbnb, Inc. and HomeAway.com, that engage in booking transactions for short-term rentals of housing units for profit. The City's ordinance prohibits such businesses from providing and collecting a fee for booking services for unlicensed (and therefore unlawful) short-term rentals.

For more information on the City's Home-Sharing Ordinance or to apply for a Home-Sharing License, visit www.smgov.net/homeshare (<http://www.smgov.net/homeshare>).

###

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More Information

🔗 [Ninth Circuit Decision](#)

(<https://www.santamonica.gov/Media/Default/Attorney/Airbnb%20Decision.pdf>)

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City of Santa Monica

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BUSINESS

Airbnb loses major fight over Santa Monica's rental law



Airbnb is gearing up for an IPO by the end of the year, but it's still fighting various cities in court over efforts to curtail its operation. (John MacDougall / AFP/Getty Images)

By BLOOMBERG

MARCH 13, 2019
3:10 PM



Airbnb Inc. and Expedia Group Inc.'s HomeAway failed to persuade a U.S. court of appeals to strike down a Santa Monica law that makes the companies liable for illicit rentals in the beach city.

The ruling Wednesday by a three-judge panel of the 9th Circuit Court of Appeals is a setback for the home-sharing platforms in their effort to avoid [regulation by cities](#) that blame the rapid proliferation of short-term rentals for [a shortage of affordable housing](#) and a disintegration of residential communities.

The Santa Monica ordinance [holds the companies responsible](#) for booking rentals of residences that aren't licensed by the city. The appellate panel agreed with the city that the restriction doesn't violate the U.S. Communications Decency Act of 1996, which shields online services from liability for the content that their users post on their sites.

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short-term-rental sites won a ruling granting a temporary reprieve from a New York City law that would compel them to turn over renter data, a requirement that threatens to cut their bookings in the city by half.

“Airbnb has seen setbacks like this over the years,” Bloomberg Intelligence analyst Mandeep Singh said. “They will continue to work with the regulators on tax collection and other fees, but it should not have much of an impact on its IPO.”

Airbnb is also fighting Paris, where it faces as much as \$14 million in fines for allegedly posting illegal advertisements, and in November it sued Boston over a new ordinance that it says would limit short-term home rentals and impose unfair restrictions and financial penalties on the company.


The courts’ interpretation of the 1996 law and the protection it affords interactive online businesses has become a central theme in legal challenges to Airbnb and its rivals. Federal judges in Los Angeles and San Francisco have found that cities can hold the companies liable for processing transactions, as opposed to simply listing information from users. Yet in a separate case in Los Angeles, a judge concluded that Airbnb can’t be made responsible for renters breaking their leases when they list their apartments on the site.

Airbnb and HomeAway argued that the Santa Monica ordinance makes it impossible for them to operate, particularly if other municipalities adopt similar laws, because it would require them to monitor and remove listings for unregistered residences. If they don’t, users would be stuck looking at listings that they won’t be able to book, according to the companies.

The 9th Circuit panel concluded that Santa Monica’s statute puts only an “incidental” burden on the companies’ constitutional right to free speech.


“Even assuming that the ordinance would lead the platforms to voluntarily remove some advertisements for lawful rentals, there would not be a ‘severe limitation on the public’s access’ to lawful advertisements, especially considering the existence of alternative channels like Craigslist,” the judges said in the ruling.

Airbnb said the Santa Monica case doesn’t reflect the progress it has made working with local governments across the country.



Los Angeles Times

LOG IN



Airbnb has made great strides around the world, working with dozens of cities to develop more than 500 partnerships including fair, reasonable regulations, tax collection agreements, and data sharing that balance the needs of communities, allow hosts to share their homes in order to pay the bills and provides guests the opportunity to affordably visit places like the California coast,” the company said in a statement.

Expedia said Wednesday’s ruling is out of step with other court decisions and runs contrary to the Communications Decency Act’s protections for innovation on the internet.

Santa Monica said in a statement that the unanimous ruling confirms the city’s right to regulate home sharing to protect its limited housing stock for residents.

“We are thrilled to have confirmation from the 9th Circuit that our balanced approach to home sharing is working at a time when housing and affordability continue to challenge the region,” said Airbnb’s chief legal officer. “We will continue to work with the city and the courts to ensure that our platform remains a safe and secure place for everyone in the neighborhood.”

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POLL: AMERICANS STRONGLY SUPPORT REFORMING FEDERAL LAW TO REIN IN ILLEGAL SHORT-TERM RENTALS

73 Percent of Americans Support Amending CDA 230 To Remove Big Tech Loopholes Invoked by Airbnb and HomeAway

[Click here to download the survey results.](#)

WASHINGTON (September 10, 2019) – According to a new national survey, Americans overwhelmingly support amending federal law to remove loopholes used by short-term rental sites, like Airbnb and HomeAway, to avoid having to comply with local laws enacted by cities and other localities across the country. Three in four Americans (76 percent) believe short-term rental sites should be held accountable for complying with local laws, and 73 percent support an amendment to Section 230 of the Communications Decency Act (CDA) to stop companies, like Airbnb and HomeAway, from invoking the federal law to avoid compliance with state and local ordinances, according to the Morning Consult survey.

Online web sites and social media platforms have claimed that CDA Section 230 gives them protection from any third-party user publishing information or content to their website. However, Big Tech rental platforms such as Airbnb and HomeAway have been invoking the law to sue city governments across the country for enacting ordinances that would require the short-term rental sites to remove profitable, but illegal rental listings from their websites.

Cities have started cracking down on Big Tech rental platforms, like Airbnb and HomeAway, after a growing number of studies have shown the influx of short-term rentals in U.S. cities has depleted the housing supply and increased the cost to rent or own a home. Representative Ed Case (D-HI) introduced bipartisan legislation in recent days called the Protecting Local Authority and Neighborhoods Act (PLAN) to amend CDA Section 230 to remove loopholes that short-term rental companies exploit to avoid compliance with local ordinances.

The national survey of 2,200 adults, conducted by Morning Consult on August 27-29, showed Americans strongly believe short-term rental companies such as Airbnb and HomeAway should be held accountable for policing illegal activity on their websites and that CDA 230 should be amended:

- 76% agreed that “if Airbnb is making a profit from short-term rentals on its site, it should ensure the owner renting the property follows local laws and safety requirements.”
- 77% agreed “Airbnb should be required to remove rental listings from its website that are classified as illegal or banned by local government laws.”
- 78% agreed “Communications Decency Act (Section 230) should be amended to make it clear that web sites are accountable for removing illegal products or services.”
- 73% agreed “Communications Decency Act (Section 230) should be amended to remove potential loopholes that companies such as Airbnb could use to avoid local laws meant to prevent illegal rentals.”

Chip Rogers, president and CEO at American Hotel & Lodging Association (AHLA), says short-term rental companies have stretched the federal law way beyond Congress’ intent by filing federal lawsuits against

cities to bully local leaders into watering down ordinances intended to protect affordable housing, reduce impacts on neighborhoods and safeguard tourism jobs.

“For far too long, these Big Tech short-term rental platforms have been hiding behind this antiquated law in order to bully and threaten legal action against local elected officials who are simply trying to protect their residents from illegal rentals that are destroying neighborhoods,” said Rogers. “This survey confirms that Americans believe short-term rental companies are accountable for removing illegal rental listings on their site and should abide by local laws to protect affordable housing and quality of life.”

Rogers went on to point out that with an overwhelming majority of Americans supporting an amendment to CDA Section 230 to stop short-term rental sites from invoking the law to avoid compliance local ordinances, Congress should act without delay.

“These Big Tech rental platforms are invoking a loophole in a federal law to snub their noses at local government leaders across the country, while continuing to profit from illegal business transactions,” said Rogers. “From an industry perspective, we simply want platforms like Airbnb and HomeAway to abide by the same laws that the hotel industry adheres to as well as every other law-abiding business, from main street in small towns to central business districts in major cities. Congress should not allow Big Tech rental platforms to operate above the law.”

The Morning Consult survey has a margin of error of plus or minus two percentage points..

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