

2017 Year In Review: Municipal Representation and Partnership

- Three municipalities gained additional representatives in 2017 based on 2016 revenues. The Town of Liberty Grove, Sevastopol and Baileys Harbor all gained a second representative on the Tourism Zone Commission board.
- Continued partnership with each municipality to complete the WDOR Room Tax filings as a result of ACT 55.

2017 Year In Review: Permitting

- As of May 5th, 2018 there were **1,121 permits**.
- In 2017, **134** new properties were permitted. (In 2016 there were **116** new permits issued.)
- In 2017, compliance efforts resulted in 63 properties permitted which is 47% of the 134 total properties permitted in 2017.
- Of the 134 newly permitted properties in 2017, 129 of the permits were issues for 1-2 unit properties.

Hotel Motel - 3 permits

Inn - 2 permits

Other - 2 permit

Condo – 21 permits

Cottage/Cabin/House - 106 permits

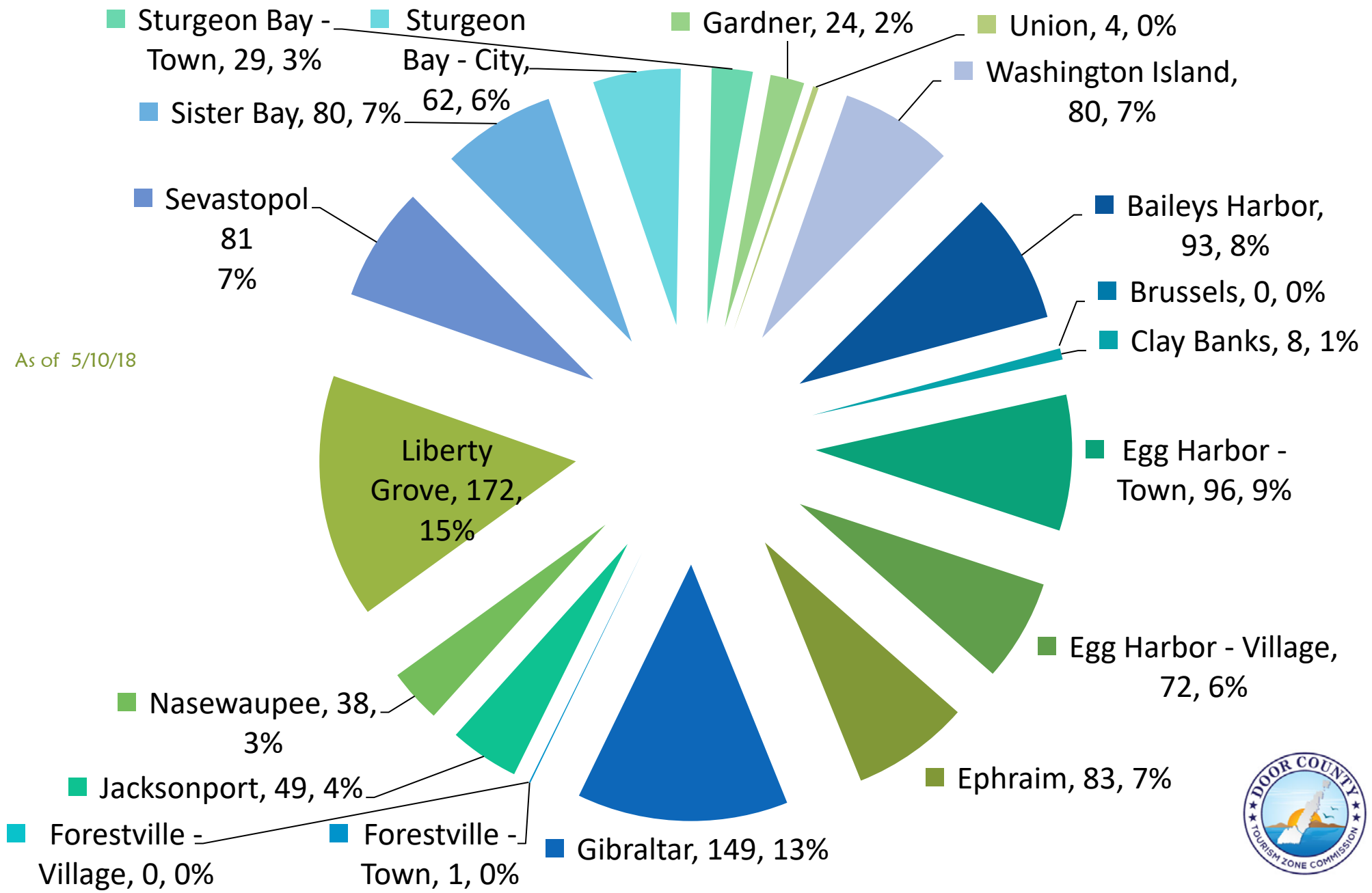
2017 Year In Review: Operations

- The Tourism Zone office recognizes the ongoing concern from the lodging community with regards to illegal vacation rentals on sites such as Airbnb. In effort to assure the community of our commitment that all rentals are permitted (or in the process), we have continued to post a detailed accounting of online listings, by platform, on a monthly basis on the Tourism Zone website.
- The Tourism Zone office detected an Airbnb programming issue in July of 2017 which resulted in communication with permit holders to keep them up to date and provide assistance with how to resolve issues through Airbnb.
- The programming issue opened the door to discuss directly with Airbnb the complexities of room tax collection with regards to a Tourism Zone Commission.
- While the programming issue posed a challenge in getting direct communication with Airbnb, the resulting contact with Midwest Airbnb representatives allowed us to understand how Airbnb locates properties (zip code) and to understand that they don't locate or understand municipal boundaries .

2017 Year In Review: Legislative

- The Tourism Zone dealt with the complexity of budget motion “WI ACT 59” . The WI State Budget for 2017-19 had legislation inserted with regards to room tax and short term rentals. The Tourism Zone strongly supported the new requirements which hold short term rentals to the same regulations as traditional lodging such as obtaining a health inspection and a seller’s permit from the WI Department of Revenue “WI DOR”. The Tourism Zone requested that our local representatives represent Door County at the State level by requesting further clarification and definitions in the legislation.
- The main concern with the legislation, which was the registration of lodging platforms as Lodging Marketplaces in order to collect room tax, ended up being a “watch and see” development. In the end, the opinion from the WI DOR stated that lodging platforms had to have nexus in the state of Wisconsin to be required to register as a Lodging Marketplace and proceed to tax collection. Moreover, per the WI DOR, room tax has been and will remain outside the DOR’s purview.
- The Tourism Zone made every effort to keep both municipalities and permit holders informed through talking points and emails as the legislation activity developed and the actual impact became more apparent.
- The Tourism Zone has actively watched and researched nationwide model room tax policy with regards to short term vacation rentals. We have stressed the economics of short term rentals to our state and local representatives and that municipalities should not prohibit short term rentals. However, the regulatory authority of room tax needs to stay with local municipalities. Local government is best able to handle local registration of short term rentals, levy fines for compliance and handle the collection and distribution of room tax. A number of states (Arizona and Oregon to name a few) have passed new legislation which removes the original purpose of room tax, which is to provide the marketing funds to market a destination and makes it a tax with a statutory purpose .

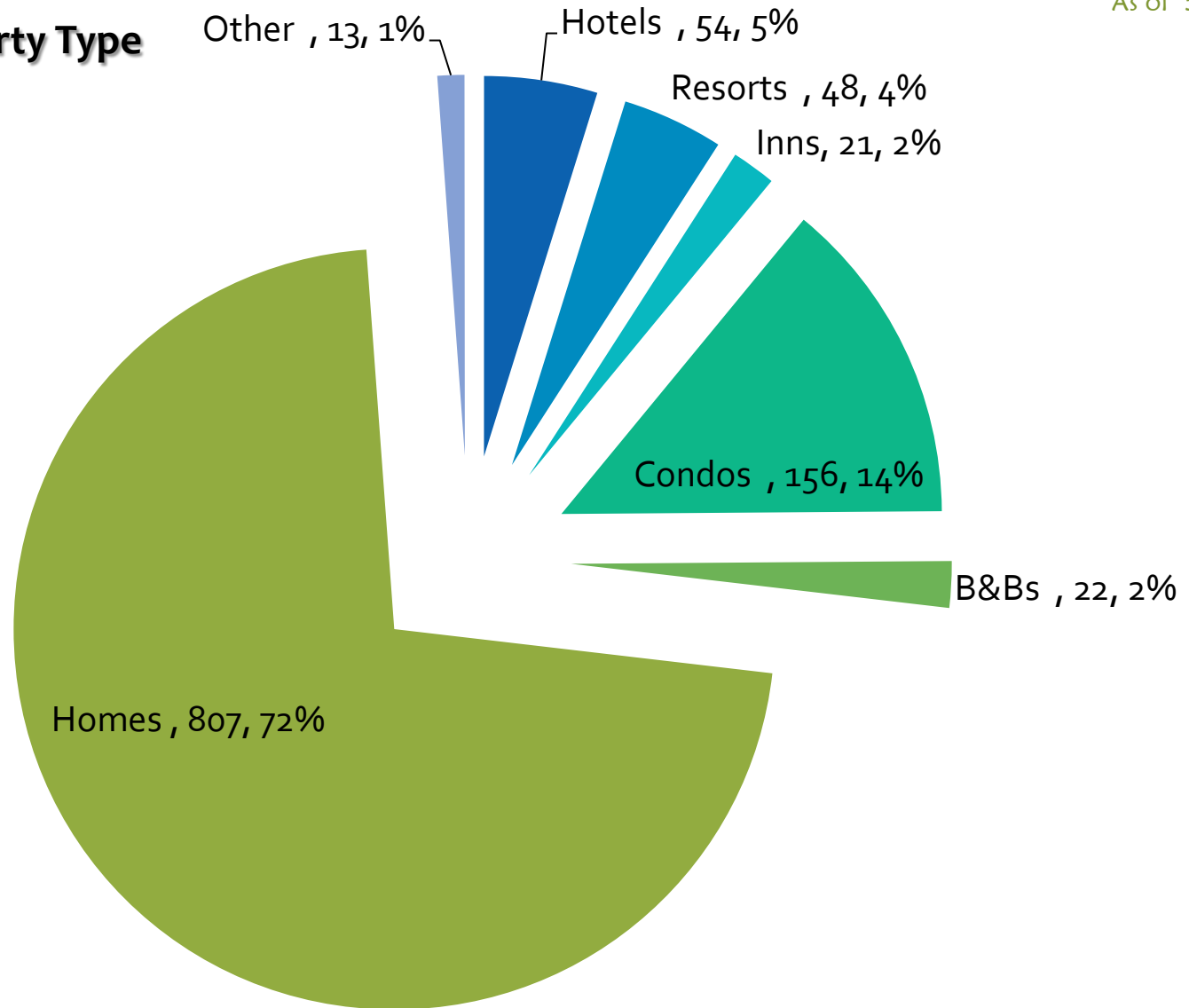
Lodging Statistics - Number of Permits by Municipality



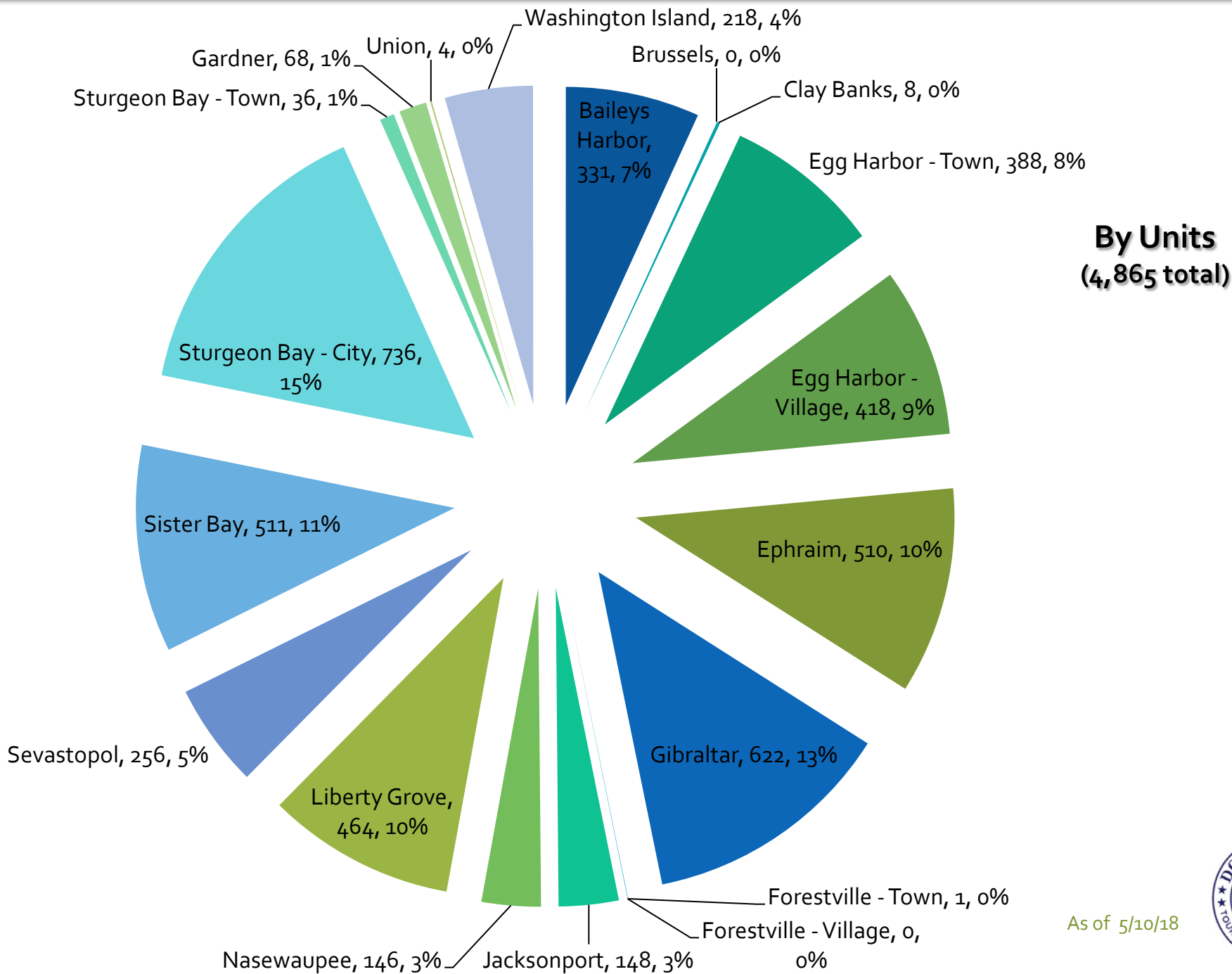
Lodging Statistics – By Property Type

As of 5/10/18

By Property Type



Lodging Statistics – By Units



As of 5/10/18



Economic Impact: Door County Tourism Zone Commission

Room Tax Collection Numbers 2009-2017

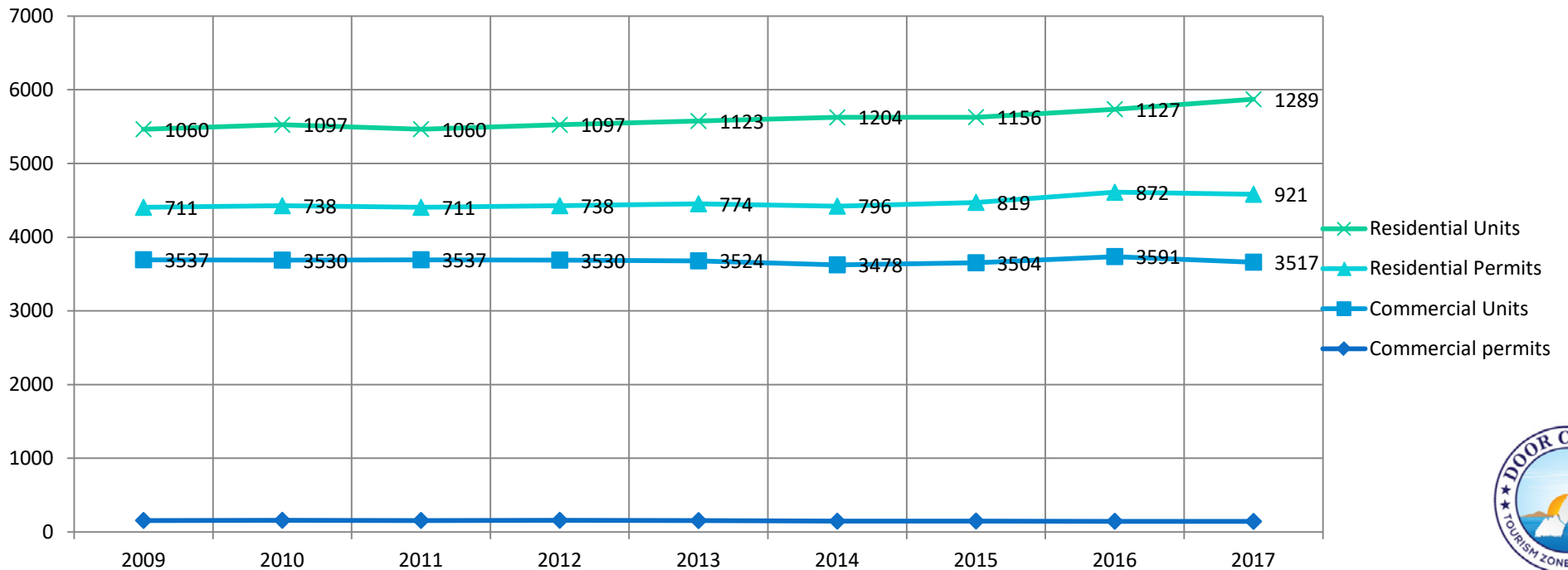
	2009	2010	2011	2012	2013	2014	2015	2016	2017	Growth 2009-17	% Change
Room Tax Collections <i>* lates included</i>	\$3,051,712	\$3,233,733	\$3,270,684	\$3,500,714	\$3,644,013	\$3,815,722	\$4,130,827	\$4,459,019	\$4,660,677	\$1,608,965	52.71%
Available Rooms	1,209,378	1,215,559	1,198,604	1,209,559	1,203,063	1,213,890	1,232,712	1,249,681	1,273,109	63,731	5.27%
Occupied Rooms	442,111	463,591	463,861	479,562	486,977	508,272	532,798	553,470	560,968	118,857	26.88%
Occupancy %	36.56%	38.14%	38.70%	39.65%	40.48%	41.87%	43.22%	44.29%	44.06%	7.50%	20.51%
Average Daily Rate	\$124	\$127	\$130	\$134	\$137	\$136	\$142	\$149	\$153	\$29	23.39%
Total Room Revenues <i>* lates included</i>	\$55,013,656	\$59,105,965	\$60,228,436	\$64,216,442	\$66,825,167	\$69,169,622	\$75,876,813	\$82,467,213	\$85,632,987	\$30,619,331	55.66%
30% to Municipalities	\$915,514	\$970,120	\$981,205	\$1,050,216	\$1,093,205	\$1,144,716	\$1,239,248	\$1,337,706	\$1,398,203	\$482,689	52.72%
Distribution to the DCVB	\$2,014,130	\$2,134,264	\$2,158,652	\$2,310,470	\$2,405,048	\$2,518,376	\$2,726,346	\$2,942,953	\$3,076,047	\$ 928,823	52.72%

2009-2017 Comparison of Commercial vs. Residential Units and Permits

Summary							
	#of permits	# of units	Year Round Units	Commercial permits	Commercial Units	Residential Permits	Residential Units
2009	863	4654	x	157	3537	711	1060
2010	888	4702	2825	159	3530	738	1097
2011	879	4656	2649	157	3537	711	1060
2012	903	4676	2638	159	3530	738	1097
2013	937	4708	2627	155	3524	774	1123
2014	956	4673	2648	147	3478	796	1204
2015	980	4712	2685	149	3504	819	1156
2016	1031	4773	2733	146	3591	872	1127
2017	1078	4860	2823	144	3517	921	1289

Residential = Cottage - Cabin - Home - Condo

Commercial - Resort- Hotel - Motel - B&B -Inn



Looking ahead in 2018

- Completion of the Tourism Zone back office system upgrade to meet the needs of permit holders and the Tourism Zone.
 - Improvements include: Easier online filing, online filing capabilities for property owners with multiple properties via a secure site and improved functions to enhance tracking of lodging in Door County.
- Ongoing dedication to compliance and enforcement with the overall goal of making sure the playing field is level for those in the lodging industry who partner with the Tourism Zone by collecting and remitting room tax.
 - Impose fines & penalties on late and non-reporting properties.
 - Verify reporting for suspected under-reporting properties.
 - Instruct Tourism Zone legal counsel to audit under-reporting or suspect properties. As necessary, file charges in Circuit Court for full enforcement.
 - Credit Management Control has been assigned to carry out collection processes for delinquent and non-reporting properties, including liens through the Wisconsin TRIP program and reporting to credit agencies.
- Continued tracking of properties listed on rentals-by-owner sites.
 - Continue to track permitted and unpermitted properties within the Tourism Zone database with online listing ID's.
 - Continue to track property owners moving away from VRBO due to service fees.
 - Stay up to date with changes online lodging platforms.

Looking ahead in 2018 continued...

- Watch for legislative activity both at the state and national level to watch for potential legislation that could have consequences on the impact that room tax has on Destination Marketing and the budgets of our local municipalities. Continue to stress that the regulatory authority of room tax needs to stay with local municipalities. Local government is best able to handle local registration of short term rentals, levy fines for compliance and handle the collection and distribution of room tax.
- Continue to set the example for other Tourism Zone Commissions and municipalities in the State. Assist with requests, education and partnership as other Tourism Zones and municipalities aim to model Door County room tax collection.
- Maintain Data Project begun in 2016 in order to compare year-to-year figures of occupancy statistics, room tax collections, and track the transient lodging economy in Door County.
- Outline goals for succession planning in all areas of Tourism Zone operations.
- Education and communication will remain a top priority by continuing to reach out to permit holders via monthly reminder emails to prompt permit holders to remember monthly reporting and Quarterly newsletters . As needed bulletins and press releases will also continue with the focus of providing information to assist lodging providers with short term rentals.
- Continue to develop the partnership between permit holders and the Tourism Zone office by serving as a resource to permit holders. By providing assistance, support and education the task of collecting room tax becomes less daunting and compliance increases.
- Continue to develop contacts and resources in Door County municipal and County departments to assist with property owner identification.
- Outline record keeping strategies and guidelines.
- Provide each municipality with an informational binder on room tax .