

# ROOM TAX COMMITTEE

January 19, 2022 @ 2:30pm

Waupaca Area Chamber of Commerce CFCU/WPSF Conference Room  
315 S Main St, Waupaca

## AGENDA:

1. Call to Order
2. Agenda
3. Approval - Minutes of the Last Meeting: August 25, 2021
4. Discussion Items
  - a. Revision of agreement between the City, Townships and CVB
  - b. Distribution of Room Tax Money Already Collected from Online Bookings
  - c. CVB Reporting to Government Entities
  - d. Set meeting dates for 2022
  - e. Any other business
5. Adjournment

Aaron Jenson, Chairman

**PLEASE NOTIFY TERRI SCHULZ, CVB, IF YOU ARE UNABLE TO ATTEND.**

PLEASE ADVISE THE WAUPACA AREA CONVENTION & VISITORS BUREAU OFFICE IF YOU REQUIRE SPECIAL ACCOMMODATIONS AS THE ROOM TAX COMMISSION WILL PROVIDE EQUAL OPPORTUNITIES FOR PUBLIC MEETINGS.

## Room Tax Commission Meeting

August 25, 2021 2:30p

Chamber of Commerce Conference Room – 315 S Main St, Waupaca WI 54981

Commission members in attendance: Aaron Jenson, Colin Dykstra, Caroline Murphy, and Jeff Barlow.

Also In attendance: Jed Wohlt, Ross Adamczak, Brenda Hewitt, Judy Suhs, and Terri Schulz

The meeting was called to order by Chair Aaron Jenson at 2:33p.

Agenda Approval: A motion to approve the agenda was made by Murphy and second by Barlow. 4 ayes, 0 nays, Motion carried.

### Introductions of New Members:

Approval of New Members: Chair Jenson introduced the two prospective members for the commission. Ross Adamczak as a owner of short term rentals and Dharmen Patel (not in attendance) as a lodging facility owner of the Comfort Suites at Par 4 Resort. A motion to approve Adamczak and Patel as lodging representatives on the Commission was made by Murphy and second by Barlow. 4 ayes, 0 nays, Motion carried.

Chair Jenson asked Ross Adamczak to give a brief introduction of himself. He is a Stevens Point native; current position is a Computer Engineer at Sentry Insurance, in 2006 moved to Waupaca; is married to Caitlin (Meighan), they have three children and own rentals in the towns of Farmington and Dayton.

Election of Officers: Chair Jenson opened the floor to any volunteers to serve as Vice Chair and Secretary. Jeff Barlow agreed to serve as Vice Chair. A motion to approve Jeff Barlow as Vice Chair was made by Jenson and second by Adamczak. 5 ayes, 0 Nays, Motion carried.

Collin Dykstra agreed to serve as secretary. A motion to approve Collin Dykstra as secretary was made by Jenson and second by Adamczak. 5 ayes, 0 Nays, Motion Carried.

Revision of Agreement: Chair Jenson had sent out the agreement to the Commission and CVB for feed-back, immediately following the July 13<sup>th</sup> meeting. Corrections were made to the document as suggestions were made. He will send the final copy out to commission members and the CVB for approval by their appropriate boards and for signatures.

Jed Wohlt, Waupaca County Health Officer: Chair Jenson crafted a letter to be sent out to all city and township property owners concerning the new rental/room tax ordinances. He drafted the letter in a Q&A format with the hope that this would be easier to understand by the property owners. The city of Waupaca, currently has a permit form and a \$25 permit fee. The town of Farmington also has the same. It was agreed that the permit form should include the business address and the rental address.

Questions raised: How do we assure that everyone is paying sales tax; what is the requirement of the state permit and do they need a seller's permit? It was agreed that there needs to be a list of "To Do's" before or as a part of the Q&A in the letter. Also noted was that property owners need to read the contracts of the online listing company that they are working with. Other questions arose: Have we given any thought about an online portal for this paper work? It was agreed that an online portal would be wonderful but because all permits and fees do not go to the same governmental entity this may be difficult and confusing.

How do we find the off line renters? Jenson noted that he will not have staff spend time on this unless there is a complaint that they are made aware.

It was discussed who will get this letter and how will it be sent out. Dayton and Farmington plan to send it out in their tax bills which will be an additional cost to them to do so. They will need to contact the County to include this in their tax bills.

What is the enforcement at the County level for their permitting? Jed noted that they can cite them. They send out a notification with a 10-day response time. Following that they can be taken to court. It was agreed that the City and Townships would be educators and the County would be the enforcer. It was noted that we can cross reference between the city and Townships with the County and visa versa on who is permitted. Also, the municipalities can do an audit on a property if needed.

Recap: Complaints on a property will initiate an information packet being sent to the property owner. A year later it will be reported to the county if a permit is not filed. The county can then follow-up with enforcement.

As a part of the Q&A section the following description should be added: a Vacation rental is considered a Tourist Rooming House, 1-4 Rooms, to determine cost they need to determine what and how many are 'key' buildings. Example if they have one home with 4 bedrooms this is considered one room under the Tourist Rooming House category. Jenson will add this to the letter.

It was discussed that the letter needs to be one page, 2-sided and not include the applications. This will make it easier for Waupaca County to include it in the tax bills.

Jed Wohlt noted that they do not have the resources to get out and track down rentals. These types of rentals are growing as online listings make it easier to rent. The inspection is a yearly inspection which includes inspection of water, electrical, building, etc.

There was a question about how complaints are handled. Schulz noted that they do have a process for complaints. However, the Chamber serves as an intermediate and not a judge. It is left to the two parties to work out a solution.

It was noted that the agenda did not include approval of last meetings minutes. This should be added to all future agendas. Also, that in the last meeting minutes the word Statute is spelled incorrectly.

Any other Business: None

Next meeting date: January 19, 2022 at 2:30p at the Chamber of Commerce conference room.

Motion to adjourn: Chair Jenson called for a motion to adjourn. A motion to adjourn was made by Barlow, second by Murphy. 5 Ayes, 0 Nays, Motion carried. Meeting concluded at 3:47p

Minutes Composed by T. Schulz, respectfully submitted by Collin Dykstra.

**WAUPACA ROOM TAX COMMISSION AND  
TOURISM ZONE AGREEMENT**

**Pursuant to §66.0301, Wis. Stats.**, the municipalities of the CITY OF WAUPACA WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Waupaca”), the TOWN OF FARMINGTON, WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Farmington”), and the TOWN OF DAYTON WISCONSIN, a Wisconsin municipal corporation and political subdivision (“Dayton”), collectively, the “Municipalities”, along with the WAUPACA AREA CONVENTION & VISITORS BUREAU, INC., a Wisconsin Corporation organized by the Municipalities and other interested parties (“CVB”) and the WAUPACA ROOM TAX COMMISSION, an authority formed pursuant to the powers provided in §66.0615 Wis. Stats. (“Waupaca Room Tax Commission”) enter into this Room Tax Commission and Tourism Zone Agreement (“Agreement”) on this, the \_\_\_ day of \_\_\_\_\_, 2021 for the purposes of coordinating the promotion and development of tourism and related economic development within the Municipalities.

WHEREAS, the Wisconsin legislature has established statutory guidelines for the collection of a tax (“Room Tax”) on the privilege of furnishing, at retail, rooms or lodging to transients by hotelkeepers, motel operators, private vacation home rental owners, rooming house owners, bed and breakfast operators and other persons furnishing accommodations (collectively, “Operators”) which are available to the public pursuant to §66.0615 Wis. Stats. (“Room Tax Act”); and

WHEREAS, the Room Tax Act sets forth requirements as to the formation of a Room Tax Commission to coordinate or work with and organization that does coordinate tourism promotion and tourism development for a Zone using Room Tax revenues when two (2) or more municipalities are located in a Zone, as that term is defined in the Room Tax Act, and the imposition of Room Tax within a Zone by the Municipalities; and

WHEREAS, the Municipalities presently collect Room Taxes but now desire to impose combined efforts to develop and support recreational activities and facilities within the Waupaca Tourism Zone which are reasonably likely to generate paid overnight stays at more than one hotel, motel or lodging facility establishments within the Waupaca Tourism Zone; and

WHEREAS, the Municipalities further desire to enter into this Agreement in order to ensure uniformity in the collection and use of all Room Taxes collected in accordance with the Room Tax Act; set ongoing procedural requirements for the Waupaca Room Tax Commission and its partner or partners; and confirm the operations of the Waupaca Room Tax Commission will continue to be conducted in accordance with recent amendments to the Room Tax Act; and

WHEREAS, the Municipalities deem it to be in the best interest of their constituents and the public at large to enter into this Agreement.

NOW THEREFORE, for valuable consideration and mutual benefit, the sufficiency of which is hereby acknowledged, it is agreed by the contracting municipalities as follows:

1. Recitals. The above recitals are incorporated by reference herein and made a part hereof.
2. Confirmation of Tourism Zone. The geographic area shall encompass the entirety of each of the Municipalities. This geographic area for purposes of this agreement is to be defined as a single destination as perceived by the traveling public, and, therefore, a Tourism Zone, as that term is used in the Room Tax Act.
3. Confirmation of Room Tax Commission. The formation of the “Waupaca Room Tax Commission”, is hereby ratified and confirmed. The Waupaca Room Tax Commission is tasked with working in concert with the CVB who will at least initially be responsible for coordinating and promoting tourism and tourism development within the Waupaca Tourism Zone and to do all other things necessary to accomplish its purposes as provided for by the Room Tax Act.
4. Imposition of Room Tax. Pursuant to the Room Tax Act, each Municipality that imposes a Room Tax in the Waupaca Tourism Zone shall levy the same percentage of Room Tax. If the Municipalities are unable to agree on the percentage of tax to be levied in the Waupaca Tourism Zone, the Waupaca Room Tax Commission shall set

the percentage. Room Taxes shall be imposed by passage of an ordinance in conformity with the requirements of the Room Tax Act recognizing the “Waupaca Room Tax Commission” as the official administrative agency for each of the Municipalities.

5. Tourism Entity. The parties hereby appoint the Waupaca Convention & Visitors Bureau (“CVB”) to act as the "tourism entity" as that term is defined in the Room Tax Act, for purposes of providing staff, support services and assistance to the Waupaca Room Tax Commission in developing and implementing programs to promote the Waupaca Tourism Zone to visitors, as more fully set forth in an agreement between the Waupaca Room Tax Commission and the CVB.
  
6. Collection of Funds. The City of Waupaca will serve as the administrative agency for the collection of the Room Tax revenues in the Waupaca Tourism Zone. These administrative duties will include collection and disbursement of all funds that are tied to online rentals in the 54981 zip code. The City of Waupaca will also be responsible for all reporting to the Department of Revenue. Townships within this agreement will be responsible for reporting to the City of Waupaca for any room tax revenue that is collected directly by their township. This will ensure reporting to the Department of Revenue is accurate. The City of Waupaca will be reimbursed for the costs associated with these activities at the rate of five percent (5%) of the gross amount collected from all sources after the 70% is dispersed to the CVB. The other Municipalities shall assist with the collection of information needed by the City of Waupaca to carry out these responsibilities. The CVB in cooperation with the Municipalities shall be primarily responsible for identifying all rental units and the municipalities in which each unit is located. Collections shall be made on a per rental unit basis as determined by the CVB and the Municipalities.
  
7. Distribution of Funds. The City of Waupaca will work with the Waupaca Room Tax Commission or its designees or assigns, in the distribution of collected funds. The Waupaca Room Tax Commission in coordination with the CVB will be responsible for the coordination of tourism promotion and tourism development activities for the Waupaca Tourism Zone. For these services the CVB will have available for its use

Seventy percent (70%) of the net funds for tourism support and development within the Waupaca Tourism Zone in accordance with the requirements of the Room Tax Act. The balance of the funds shall be distributed back to the Municipalities in proportion to the units located and contributing in their municipality as compared to the total number of units located and contributing in the full Waupaca Tourism Zone.

8. Use of Funds. All net Room Taxes received by the Waupaca Room Tax Commission shall be utilized for tourism promotion and tourism development within the Waupaca Tourism Zone, including the support and development of tourism facilities. It is acknowledged by the parties that certain Room Taxes have been reserved for specific tourism purposes and that those reserved Room Taxes shall be used consistent with the following:
  - a. Room Taxes imposed for the support of the CVB shall be utilized for those purposes.
  - b. Room Taxes returned to the Municipalities shall be used at the discretion of the municipality.
  
9. Priority of Payment. In the event any Operator fails to remit the full amounts owed in any quarterly payment ("Deficient Payment") under this Agreement or the ordinances executed as required thereunder, the parties agree and acknowledge that the Deficient Payment amounts actually received by the Commission shall be applied in the following priority order:
  - a. Then the Deficient Payment amounts shall first be applied toward the Seventy percent (70%) for the support of the CVB;
  - b. The Deficient Payment amounts received shall then be applied towards the unreimbursed costs of administration by the City of Waupaca.
  - c. Then the balance shall be distributed to the Municipality in which the delinquent unit owner lived.

10. Waupaca Room Tax Commission Membership. The membership, including the procedures relating to confirmation of appointment, of the Waupaca Room Tax Commission shall be consistent with §66.0615(1m)(c), which requires, inter alia:
- a. The commission shall consist of 3 members from each municipality in which annual room tax collections exceed \$1,000,000, 2 members from each municipality in which annual room tax collections exceed \$300,000 but are not more than \$1,000,000 and one member from each municipality in which annual room tax collections are \$300,000 or less. Except as provided in 10(b) which outlines appointed members.
  - b. Two additional members, who represent the Wisconsin hotel and motel industry shall be appointed to the commission by the chairperson of the commission, shall serve for a one-year term at the pleasure of the chairperson and may be re-appointed. These members must own hotels/motels/vacation rental properties within the established Room Tax District.
  - c. Governmental members of the Waupaca Room Tax Commission shall be appointed by the principal elected official in the Municipality and shall be confirmed by a majority vote of the members of the Municipality's governing body who are present when the vote is taken. Commissioners shall serve for a one-year term, at the pleasure of the appointing official, and may be reappointed.
  - d. The Waupaca Room Tax Commission shall meet regularly, and, from among its members, it shall elect a chairperson, vice chairperson and secretary.
  - e. The Waupaca Room Tax Commission shall report any delinquencies or inaccurate reporting to the Municipality that is due the tax.
11. Applicability of State Open Meetings Law. The Waupaca Room Tax Commission shall be subject to the provisions of the Wisconsin Open Meetings and Open Records laws, as amended from time to time.
12. Powers and Duties: The Waupaca Room Tax Commission shall have the following powers, rights and duties, as provided by the Room Tax Act, and as designated by the Municipalities hereto:



- a. To monitor and collect Room Taxes from each Municipality within the Waupaca Tourism Zone in accordance with the provisions of this Agreement.
- b. To contract with the CVB to obtain staff, support services and assistance in developing and implementing programs to promote the Waupaca Tourism Zone to visitors;
- c. To report no less than annually to each Municipality from which it receives Room Tax revenue the purposes for which the revenues were spent;
- d. To report any delinquencies or inaccurate reporting to the Municipality that is due the Room Tax;
- e. To prepare forms for use by Operators in reporting and remitting quarterly Room Tax payments, to be based upon that form attached as Exhibit "A" hereto and which may be amended or revised by the Waupaca Room Tax Commission as deemed appropriate;
- f. To report to the participating municipalities the name of any municipality failing to make proper reports to the room tax commission and to collect from any delinquent municipality those room taxes that such municipality has failed to turn over to the room tax commission;
- g. To make available financial records and meeting minutes of the Waupaca Room Tax Commission for inspection and copying upon the request of any Municipality with annual reports and an annual review of the budget of the Commission; and
- h. To delegate or assign its powers, rights and duties hereunder as it deems necessary or prudent.

13. Additional Municipalities. It is anticipated that from time to time the area that the public perceives to be a single destination may change, and additional municipalities enacting a room tax may recognize that they have become part of the Waupaca Tourism Zone; therefore, it is anticipated that additional municipalities may join this Agreement and the Waupaca Room Tax Commission in the future, and the respective membership compositions will be adjusted according to §66.0615(1m)(c) as outlined in Section 10 of this agreement.

14. Municipal Action. The Municipalities shall enact such ordinances and/or resolutions as are necessary to satisfy the terms of this Agreement and to affect any provisions of this Agreement.
  
15. Authority. In signing this Agreement, the respective Municipalities represent and warrant that the terms herein have been approved by the legislative body of that Municipality and that appropriate authority rests in the signatories on behalf of the respective Municipalities.
  
16. Term. The Waupaca Room Tax Commission created herein, shall continue in existence for as long as the Municipalities continue to impose a Room Tax pursuant to §66.0615 Wis. Stats., and shall not terminate until official action to do so has been taken by the governing bodies of each party hereto.
  
17. Effective Date. The effective date of this Agreement shall be the date upon which the last listed Municipality so enters.

*Signature page to follow*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

\_\_\_\_\_  
Date

CITY OF WAUPACA  
By:

\_\_\_\_\_

\_\_\_\_\_  
Date

TOWN OF FARMINGTON  
By:

\_\_\_\_\_

\_\_\_\_\_  
Date

TOWN OF DAYTON  
By:

\_\_\_\_\_

\_\_\_\_\_  
Date

WAUPACA AREA CONVENTION & VISITORS  
BUREAU, INC.  
By:

\_\_\_\_\_

*\*Last Revised by Aaron Jenson on 9/22/21*