

# INTERGOVERNMENTAL ROOM TAX AGREEMENT

## Third Amendment and Restatement

**THIS INTERGOVERNMENTAL AGREEMENT THIRD AMENDMENT AND RESTATEMENT** is made and entered into the dates set forth herein below by and between the below identified Wisconsin governmental bodies located in Door County, Wisconsin (the "Municipalities") pursuant to the provisions of Sec. 66.0301, Wis. Stats., and Sec. 66.0615, Wis. Stats., for the purpose of promoting tourism in Door County, Wisconsin and the joint municipal administration of a local room tax.

### PREAMBLE

WHEREAS, the Municipalities have, pursuant to the provisions of Sec. 66.0615, Wis. Stats., previously adopted, within their respective jurisdictions, a local room tax; and

WHEREAS, the Municipalities have previously entered into an intergovernmental agreement pursuant to the provisions of Sec. 66.0301, Wis. Stats., and Sec. 66.0615, Wis. Stats., (the "Agreement") to administer the local room tax through the establishment of a tourism zone encompassing the boundaries of the Municipalities, being all of Door County, Wisconsin, known as the "Door County Tourism Zone"; and

WHEREAS, the Municipalities have, pursuant to Sec. 66.0615, Wis. Stats., previously established a commission, known as the "Door County Tourism Zone Commission"; and

WHEREAS, the Municipalities have, as of January 1, 2009, previously amended the Agreement to address changes in the statutory room tax provisions and in the administration of the room tax by the Commission; and

WHEREAS, the Municipalities are again desirous of amending the Agreement to address additional recent statutory revisions and to increase the local room tax to 8.00%;

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants and agreements contained herein, the parties agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1 DEFINITIONS. The following words and phrases shall have the following meanings when used in this Agreement, unless the context clearly indicates a different meaning is intended:

- (a) "Agreement" shall mean this intergovernmental agreement among the Member Municipalities establishing a Room Tax Tourism Zone and a Room Tax

Commission to oversee the administration and enforcement of the Member Municipalities Room Tax Ordinances.

- (b) “*Commission*” has the meaning defined in Sec. 66.0615(a), Wis. Stats.
- (c) “*Commissioner*” shall mean an individual appointed by a Municipality to serve on the Commission as made and provided under the provisions of Sec. 66.0615, Wis. Stats.
- (d) “*Door County Tourism Zone*” shall mean the Tourism Zone authorized and establish in Door County, Wisconsin pursuant to the provisions of Sec. 66.0615, Wis. Stats., under the provisions of the Tourism Zone Agreement among the municipalities participating therein.
- (e) “*Door County Tourism Zone Commission*” shall mean the Commission established hereunder for the administration of the room tax pursuant to Sec. 66.0615, Wis. Stats.
- (f) “*Gross Receipts*” shall mean the total revenue received from the retail furnishing of rooms, lodging, or similar accommodations by a Lodging Provider as defined herein, including any Lodging Marketplace provider service fees.
- (g) “*Hotel and Motel*” have the meaning as defined in Sec. 77.52(2)(a)1, Wis. Stats., as being a building or a group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, bed and breakfast establishments, lodging houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins, commercial indoor lodging facilities and any other building or group of building in which accommodations are available to the public, except accommodations rented for a continuous period of more than thirty (30) consecutive days and accommodations furnished by any hospitals, sanitariums or nursing homes or by corporations or associations organized and operated exclusively for religious, charitable or educational purposes provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual.
- (h) “*Lodging Permit*” shall mean the permit issued by the Commission to Lodging Providers authorizing the furnishing, at retail of rooms or lodging to Transients by hotelkeepers, motel operators, lodging marketplaces, owners of short-term rentals, and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations.



- (i) “*Lodging Marketplace*” or “*Lodging Marketplace Provider*” shall mean an entity that provides a platform through which an unaffiliated 3rd party offers to rent a short-term rental to an occupant and collects the consideration for the rental from the occupant.
- (j) “*Lodging Provider*” shall mean the operator of a Hotel or Motel, as defined herein above.
- (k) “*Member Municipalities*” shall mean the municipalities located in Door County, Wisconsin which have created and established the Door County Tourism Zone and the Door County Tourism Zone Commission to operate and administer the Tourism Zone as more particularly described on ATTACHMENT “A” hereto.
- (l) “*Municipality*” means the Town of Forestville, Door County, Wisconsin.
- (m) “*Payor*” means the transient lodging person or entity who owes the tax imposed by this ordinance.
- (n) “*Reserve Fund*” means the fund established and maintained by the Commission containing funds in excess of the approved annual Tourism Entity budget to be used exclusively for such tourism promotion or tourism development projects as the Commission shall, from time to time so determine in the manner made and provided herein.
- (o) “*Room Tax*” means the lodging tax of 8.00% imposed by ordinance of this Municipality and all of the Member Municipalities for the privilege of furnishing, at retail, except sales for resale, rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations, subject to the exceptions provided in Sec. 66.0615(1)(m)a, Wis. Stats.
- (p) “*Tourism*” has the meaning as defined in Sec.66.0615(1)(e), Wis. Stats., as being any travel for recreational, business or educational purposes.
- (q) “*Tourism Entity*” shall mean a nonprofit organization that came into existence before January 1, 2015, spends at least 51 percent of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality, except that if no such organization exists, a municipality may contract with one of the following entities:

1. A nonprofit organization that spends at least 51 percent of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality; or
  2. A nonprofit organization that was incorporated before January 1, 2015, spends 100 percent of the room tax revenue it receives from a municipality on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality.
- (r) “*Tourism promotion and development*” has the meaning as defined in Sec. 66.0615(1)(fm), Wis. Stats., as being any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which a tax under sub. (1m) (a) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect; or, if the municipality has only one such establishment, reasonably likely to generate paid overnight stays in that establishment:
1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups.
  2. Transient tourist informational services.
  3. Tangible municipal development, including a convention center.
- (s) “*Tourism Zone*” has the meaning as defined in Sec. 66.0615, Wis. Stats. as being an area made up of two or more municipalities that, those municipalities agree, is a single tourism destination as perceived by the traveling public.
- (t) “*Tourism Zone Agreement*” shall mean this intergovernmental agreement created under the provisions of Sec. 66.0301, Wis. Stats., for the purpose provided under Sec. 66.0615(1m)(b)2, Wis. Stats.
- (u) “*Tourism Zone Audit*” shall mean the annual Room Tax audit to be performed by the Commission and provided to the Member Municipalities.
- (v) “*Transient*” has the meaning as defined in Sec. 77.52(2)(a)1, Wis. Stats., as being any person residing for a continuous period of less than thirty (30) consecutive days in a Hotel, Motel, or other furnished accommodations available to the public.

Section 1.2 USE OF PHRASES; RULES OF CONSTRUCTION. The following provisions shall be applied wherever appropriate herein:



- (a) "Herein", "hereby", "hereunder", "hereof" and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion of this Agreement in which such word is used.
- (b) The definitions set forth in Section 1.1 hereof shall be deemed applicable whether the words defined are used in the singular or plural.

## ARTICLE II

### PURPOSE

Section 2.1 SINGLE DESTINATION. The Municipalities have previously agreed and continue to agree and acknowledge that the traveling public generally perceives the area encompassing the municipalities as a single tourism destination.

Section 2.2 TOURISM ZONE. Upon the agreement and acknowledgement that the traveling public perceives Door County, Wisconsin as a single tourism destination, the Municipalities agree to designate the area encompassing their respective municipal jurisdictions as a "Tourism Zone", pursuant to Sec. 66.0615(1)(h), Wis. Stats., to be known as the "Door County Tourism Zone".

Section 2.3 PURPOSE. The purpose of this Agreement shall be for the establishment of a Tourism Zone encompassing the jurisdictions of the Municipalities and for the joint administration and enforcement of the local room tax adopted by the Municipalities within the framework of the Tourism Zone.

## ARTICLE III

### ROOM TAX

Section 3.1 ROOM TAX IMPOSED. The Member Municipalities previously agreed and continue to agree to impose a room tax of 8.00% on transient lodgers by entities furnishing, at retail, rooms or lodging to transients, renting for less than thirty (30) days, by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public. In addition, any Condominium Association in which the Association brokers any form of rental lodging that is subject to Sales or Use Tax shall also be subject to a room tax. Any Real Estate Agency or Property Management Company which also rents lodging that is subject to Sales or Use Tax shall also be subject to this Agreement. The Room Tax shall be imposed on the gross receipts, the total revenue received from the retail furnishing of rooms, lodging and all lodging amenities received for the rates charged by a hotel or motel as defined within this Agreement. Lodging amenities may include breakfast, newspaper, Internet, telephone, cable TV, swimming pool, whirlpools and other amenities not available without charge to the general public not staying at the lodging establishment. Sales not subject to the Room Tax would be any items sold over the

counter, as in a gift shop, separate sales in an adjoining restaurant, room service, vending machine or bar, the part of a package sale that is separate from lodging. Sales not subject to sales tax would also be exempt from Room Tax. There is also no sales tax on the Room Tax.

Section 3.2 ROOM TAX ORDINANCE. Beginning effective as of May 1, 2007, the Member Municipalities previously agreed to and did enact a Room Tax Ordinance that imposed a local room tax on the privilege of furnishing, at retail, except sales for resale, rooms or lodging to transients by hotelkeepers, motel operators, lodging marketplaces, owners of short-term rentals, and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations.

Section 3.3 ROOM TAX PAYMENT. The Commission shall require that the Room Tax should be paid by the Lodging Provider on a monthly basis to be paid by the end of the month following the month in which the tax was collected by the Lodging Provider. While the Room Tax is owed to the local municipality which imposed the tax, for convenience and collection purposes, all room tax returns and payments are to be sent directly to the Commission. Subject to the provisions of Section 4.12(c) hereof, the Commission shall, on or before the end of each month, send to each Member Municipality a payment along with the report required in Section 5.11 of this Agreement showing the total room tax collected from all lodging properties in their municipality for the previous month. This payment will equal thirty percent (30%) of all Room Tax collected in their municipality plus or minus any adjustments from the previous months.

Section 3.4 ROOM TAX AMENDMENT. That effective January 1, 2022, the local room tax to be administered hereunder pursuant to the amended local ordinances shall be 8.00%.

Section 3.5 ROOM TAX RATE ADJUSTMENT. Any person or business otherwise required to file a return and make a payment, will be allowed an exemption from the requirement to collect and pay the increased Room Tax at the new rate of 8.00% for any signed contract dated prior to the adoption of this Ordinance in which the contract guarantees the lodging rates and the applicable taxes as of that date. This exemption shall also be applied to any gift certificate purchase before the adoption of this Ordinance, which is not for a fixed dollar amount, but, instead, for the amount paid, guarantees a particular lodging rate and the applicable taxes. This exemption does not apply to reservations made before the adoption of this Ordinance, which are not binding contracts.

#### ARTICLE IV ROOM TAX COMMISSION

Section 4.1 ROOM TAX COMMISSION. The Member Municipalities further agreed to and did create a Commission pursuant to the provisions of Wisconsin Statutes 66.0615, known as the "Door County Tourism Zone Commission", for the purpose of monitoring and administering the collection of room taxes, including the enforcement thereof; for contracting with the Tourism Entity to obtain staff, support service and assistance in developing and implementing programs to



promote the Tourism Zone to visitors; and, to do all things necessary and provided for by the statute.

Section 4.2 COMMISSION MEMBERSHIP. The Commission created by this Agreement under Sec.66.0615, Wis. Stats., shall consist of the following members:

- (a) Three (3) members from each municipality in which annual tax collections exceed \$1 million.
- (b) Two (2) members from each municipality in which annual tax collections exceed \$300,000.
- (c) One (1) member from each municipality in which annual tax collections are \$300,000 or less.
- (9) Two additional members (at large members), who represent the Wisconsin hotel and motel industry, shall be appointed to the Commission by a majority vote of members of the Commission, or a duly authorized nominating committee, and these individuals shall serve for a one-year term at the pleasure of the Commission and may be reappointed. These members shall not be members of the Board of Directors or employees of the Tourism Entity.

Section 4.3 APPOINTMENT OF COMMISSION MEMBERS. Members of the Commission shall be appointed by the principal elected official in the Member Municipalities and shall be confirmed by a majority vote of the Member Municipality's governing body who are present when the vote is taken. Commissioners shall serve a one-year term, at the pleasure of the appointing official and may be reappointed. Members of the Commission shall receive no compensation for service to the Commission, but may be compensated for actual expenses and mileage while attending meetings or on official business for the Commission. This compensation may be in the form of prepayment, allowance or actual reimbursement of any expenses incurred. While membership on the Commission is provided for each municipality in the zone agreement, all membership positions need not be filled if a municipality does not see a need. A member community that does not appoint a representative shall not count towards the determination of a quorum. All municipalities will still receive their monthly, quarterly and annual reports from the Commission. If a member of the Commission resigns or is removed for cause, the municipal body that appointed the member may appoint another person to fulfill the unexpired term. If the subject member was appointed by the chairperson, they may appoint another person to fill the unexpired term.

Section 4.4 COMMISSION PROCEDURES AND BYLAWS. The Commission shall meet monthly; but, may also meet at the call of the chairperson or by petition of any three Commissioners. The Commission may, by a vote of the Commissioners, modify the monthly meeting requirement. The Commission may, by majority vote, establish and implement such procedures and protocols as it deems necessary for the effective and efficient administration of

implementation, collection and enforcement of the Room Tax. The Commission may develop and adopt bylaws which are consistent with this Agreement and approved by a two-thirds (2/3) majority of the Municipalities.

Section 4.5 INSURANCE COVERAGE. The Commission shall also obtain and maintain the following insurance coverages;

- (a) Errors and omissions coverage in an amount to be determined and approved by the Commission to provide adequately protection;
- (b) Crime Coverage in an amount to be determined and approved by the Commission to provide adequately protection; and,
- (c) Any other insurance deemed necessary by the Commission in the conduct of its business.
- (d) Expenses and insurance shall be paid as administration expenses by the Commission. Any checks or payments issued by the Commission shall bear the signatures of two (2) officers of the Commission (chairperson, vice chairperson, secretary and/or treasurer).

Section 4.6 ANNUAL AUDIT. The Commission shall submit all financial records to a licensed accounting firm for an annual financial audit and a copy of that audit shall be provided to the Member Municipalities. The accounting firm shall be selected by a majority vote of the Commission. All meeting notices and minutes shall be sent to member municipalities.

Section 4.7 ANNUAL MEETING. An annual meeting of the Commission shall be held in June of each year, after the annual report has been received and before the new summer season begins to answer any questions, discuss any concerns and further explain all goals and objectives. All Municipal Boards and permitted Lodging Properties and the Door County Visitor Bureau shall be notified and invited to attend this Annual Meeting.

Section 4.8 APPLICABILITY OF STATE OPEN MEETINGS LAW. The Commission shall be subject to the provisions of the Wisconsin Open Meetings and Open Records laws as amended.

Section 4.9 DELEGATION OF AUTHORITY. Authority is delegated to the Door County Tourism Zone Commission to act as agent of the Municipality in the enforcement of this ordinance as amended, for violation of the requirement of obtaining and maintaining a lodging permit when such lodging permit is required. The Door County Tourism Zone Commission shall have and may exercise the full authority which would otherwise be available to this municipality in the enforcement of this ordinance, including the ability to seek enforcement and penalties for failure to comply with the section requiring a lodging permit.

Section 4.10 ROOM TAX ADMINISTRATION REPORTS. The Commission shall submit the following Room Tax Administration Reports to Member Municipalities:



- (a) Monthly Report. A monthly report that lists all lodging properties in the municipality, the total amount of Room Tax they collectively paid and any properties that are delinquent. It should also include a payment to the municipality for thirty percent (30%) of the amount collected. This report and payment should be sent by the end of the month for collections received by the Commission in the previous month.
- (b) Annual Report. At least ten (10) days after the Tourism Zone's Annual Meeting, The Commission shall provide the Member Municipalities and Lodging Properties within the Tourism Zone an Annual Report that summarizes the financial activity of the Commission for the past year and shall include:
1. The Commission's annual audit.
  2. All room taxes collected by the municipalities for each month of the year.
  3. All payments to the Tourism Entity and an end of year balance sheet.
  4. The annual report from the Tourism Entity which shall summarize the activity of the past year and show:
    - i. The return on investment, i.e., what was gained from the room taxes invested, how well the goals and objectives established in the last annual report were achieved.
    - ii. The Tourism Entity's goals and objectives for the coming year will be which goals and objectives should have been set after discussion and mutual agreement between the Tourism Entity and the Commission.

Section 4.11 COMMISSION OPERATIONAL FUNDING. The administrative and operating expenses of the Commission, shall be paid by the Member Municipalities based upon and subject to the following:

- (a) Commission Administrative and Operating Expenses. The Commission's administrative and operating expenses subject to contribution hereunder shall include, but are not limited to, the cost of: issuing permits; monitoring, enforcing and prosecuting the collection of Room Tax; reviewing the progress of the contracted Tourism Entity; approving the Tourism Entity's budget; approving the payment of monthly expenses; and, preparing monthly, quarterly and annual reports to the participating municipalities Member Municipalities, plus any and all tasks and costs necessary in the operation of the Commission.

- (b) Additional Commission Administrative Expenses. The Commission's administrative expenses shall also include, but not be limited to, reimbursement of Commissioners for actual expenses and mileage while attending meetings or on official business for the Commission, wages paid to staff, mileage paid to staff when necessary for work related travel, rental of office space, accounting fees for the annual audit and other Commission related accounting services, insurance costs for coverages approved by the Commission, office equipment, office supplies, postage, telephone, internet, utilities and any legal expenses, including litigation and any other expenses associated with the collection of unpaid Room Tax. The rate paid for the mileage reimbursement hereunder shall be the same as the standard Internal Revenue Service rate for business mileage adjusted periodically.
- (c) Calculation of Municipal Contribution. The contribution amount owed by each Member Municipality shall be determined by its percentage share of the room tax collected, as shown on the previous year's Tourism Zone Audit, multiplied by the adopted budget of the Commission. The amount determined hereunder shall be paid by each Member Municipality on or before February 1 of each year. In the event that a Member Municipality fails to pay its annual contribution when due, the Commission may withhold that Member Municipality's Municipal room tax allocation payment until such contribution payment is made.

## ARTICLE V

### ROOM TAX ADMINISTRATION

Section 5.1 TRANSIENT LODGING PERMIT. Any person, partnership or corporation furnishing lodging in the Tourism Zone, shall, before commencing such business, file with the Tourism Zone Commission, an application and obtain a permit to operate each place of business subject to this Agreement. There shall be no cost for the filing of the application or the permit. Such a permit is not transferable or assignable upon transfer of business ownership. The application form shall include, at minimum, the following information:

- (a) The name of the business under which the person, partnership or corporation transacts business or intends to transact business, which name shall agree with that used for Sales Tax Permits and Property Tax Records.
- (b) The name of the agent for the business or other person designated as responsible to remit the Room Tax, and means to contact this person, including email address, postal address, telephone number, fax number and cell phone number.
- (c) The physical and mailing address of the business.
- (d) Number of rental units at the location for each month of the year during which the business is operating.



- (e) The driver's license number and or Federal Employer Identification Number of the owner of the lodging business.
- (f) The signature of the person designated in item b. above.
- (g) Operating months indicated on the permit application must match all advertised availability.
- (h) The Lodging Marketplace Provider online listing ID or ID's for all advertising in any form or format.

Section 5.3 PERMIT REVIEW AND ISSUANCE. The Commission may accept the application, review it for accuracy and issue the Lodging Permit. The Permit shall not be assignable. The Permit shall only be valid for the person named on the application as being responsible to remit the Room Tax. In cases where that person should change or the ownership should change during the life of the permit, the application and issuance of a new permit shall be necessary.

Section 5.4 RECORDS RETENTION. As a condition of issuance of a Lodging Permit hereunder, the Commission shall require that the Lodging Provider retain all records related to short term lodging services hereunder for a period of not less than seven (7) years.

Section 5.5 LODGING PERMIT DEACTIVATION. The Commission shall allow a permitted Lodging Provider who ceases lodging operations may apply to the Commission for the deactivation of their Lodging Permit. De-activation of a Lodging Permit shall be subject to the following conditions:

- (a) All advertising in any form or format, including print and online, social media and web sites for the rental unit or units must be removed, discontinued and taken down.
- (b) The Lodging Provider must be current on all filings and tax payments.

Section 5.6 LODGING MARKETPLACE PROVIDERS TO BE LICENSED. Any Lodging Marketplace Provider that provides a platform through which a Lodging Provider offers to rent a short-term rental to an occupant and collects the consideration for the rental from the occupant shall obtain and maintain a Marketplace Provider Permit from the Commission.

Section 5.7 LODGING MARKETPLACE PROVIDER PERMIT APPLICATION. The Commission shall require that any Lodging Marketplace Provider providing a platform through which a Lodging Provider can offer short term rentals and lodging accommodations to transient guests in the Municipality apply to and file with the Commission, on forms provided by the Commission, an application to provide such services within the Municipality. There shall be no

cost for the filing of the application for the Lodging Marketplace Provider Permit. The Commission shall require that the Lodging Marketplace Provider provide, at minimum, the following information:

- (a) The name and tradename of Lodging Marketplace Provider under which it transacts business or intends to transact business.
- (b) The physical and mailing address of the Lodging Marketplace Provider.
- (c) The Federal Employer Identification Number (FEIN) of the Lodging Marketplace Provider.
- (d) The email address for the primary contact person at the Lodging Marketplace Provider.
- (d) The contact name and physical and electronic contact information of and for the person at the Lodging Marketplace Provider who will be submitting the Lodging Marketplace Provider reporting.

Section 5.8 LODGING MARKETPLACE PROVIDER PERMIT REVIEW AND ISSUANCE. The Commission may accept the Lodging Marketplace Provider application, review it for accuracy and issue a Lodging Marketplace Provider Permit in the form determined by the Commission. The Lodging Marketplace Provider Permit shall not be assignable. The Lodging Marketplace Provider Permit shall only be valid for the Lodging Marketplace Provider identified on the application. In the event of an ownership or name change, Lodging Marketplace Provider shall apply for a new Lodging Marketplace Provider Permit.

Section 5.9 LODGING MARKETPLACE PROVIDER RECORDS RETENTION. As a condition of issuance of a Lodging Marketplace Provider Permit hereunder, the Commission shall require the Lodging Marketplace Provider to retain all records related to lodging marketplace provider services to Lodging Providers in the Tourism Zone for a period of not less than seven (7) years.

Section 5.10 LODGING MARKETPLACE PROVIDER PERMIT DEACTIVATION. The Commission shall allow a permitted Lodging Marketplace Provider who ceases operations within the Tourism Zone to apply to the Commission for the de-activation of their Lodging Marketplace Provider Permit. De-activation of a Lodging Permit is subject to the following conditions:

- (a) All lodging marketplace platform services in any form or format in the Tourism Zone must cease, be discontinued and otherwise terminated.
- (b) The Lodging Marketplace Provider must be current on all filings and tax payments.

Section 5.11 MONTHLY ROOM TAX REPORT. The Commission shall require that all Lodging Providers submit a Monthly Room Tax Return to the Commission, on paper or electronic



forms supplied by the Commission, by the end of the month following the month in which the room tax reported by that Return. To allow the Commission to judge the accuracy of the Return, and, for the Commission, with all Returns in total, to judge the effectiveness of the tourism promotion, the Monthly Room Tax Report to be filed by the Lodging Providers shall contain at a minimum the following information:

- (a) Name of the business.
- (b) Physical address, postal address, municipality located within.
- (c) Name of the designated person filling out the return.
- (d) Month and year the Return is for.
- (e) The total available rental units during the month (number of rental units in the facility multiplied by the days in the month or days they were open).
- (f) The total marketplace sales, the amount of room tax paid by each Lodging Marketplace Provider.
- (g) The number of rooms or units rented, total lodging sales for the month.
- (h) The room tax to be paid, (which should equal total lodging sales multiplied by the 8.0% Room Tax).
- (i) The signature of the person filling out this return, attesting to the accuracy of the Return.

Section 5.12 AMENDED OR CORRECTED ROOM TAX REPORT. The Commission shall allow a Lodging Provider to file an amended or corrected Monthly Room Tax Report within forty-eight (48) months of the original filing date. Such amended or corrected Monthly Room Tax Return shall be subject to any additional tax due plus associated interest, penalties and late fees as provided herein on such additional tax due, and be subject to an administrative fee of \$25.00.

## ARTICLE VI TOURISM ENTITY

Section 6.1 CONTRACTED SERVICES. Pursuant to Sec. 66.0615(1m)(b) 4, Wis. Stats., the Commission shall, contract with a Tourism Entity to obtain staff, support services and assistance in developing and implementing programs to promote the Tourism Zone to visitors and spend room taxes revenues on tourism promotion and development within the Tourism Zone. The Tourism Entity shall not use any of the room tax revenue to construct or develop a lodging facility.

Section 6.2 TOURISM REVENUE AND EXPENDITURE TRACKING. The Commission shall require that the Tourism Entity track the use of Room Tax revenues and expenditures and state its impact on generating paid overnight stays in the Member Municipalities.

Section 6.3 ANNUAL REPORT. The Commission shall require that the Tourism Entity provide the Commission with a written report as determined by the Commission, no less than annually, and such report shall be available to the municipality and public upon request.

Section 6.4 RECORD INSPECTION. The Commission shall require that the Tourism Entity permit and allow inspections of its records pertaining to the use of the room tax funds upon request of the Commission at reasonable times.

Section 6.5 RECORDS RETENTION. the Commission shall require that the Tourism Entity retain all records related to short term lodging services hereunder for a period of not less than seven (7) years.

## ARTICLE VII

### DISTRIBUTION OF ROOM TAXES COLLECTED

Section 7.1 Allocation of Room Tax Collected. Upon receipt of the room taxes that are collected from Lodging Providers and Lodging Marketplace Providers providing transient lodging within the Member Municipalities, the Commission shall, pursuant to Section 66.0615(1m)(d), Wis. Stats.:

- (a) Tourism Zone Tourism Promotion. Allocate and distribute seventy (70%) percent of the amount collected to be spent on tourism promotion and tourism development within the Tourism Zone in the following manner:
  - (1) Forward an amount previously budgeted to be allocated to the Tourism Entity to the Tourism Entity.
  - (2). Deposit the excess amount of the amount budget for the Tourism Entity to the Tourism Reserve Fund to be used and allocated by the Commission for tourism promotion and tourism development within the Tourism Zone to help promote local or special tourism promotion and tourism development within the Tourism Zone through the Tourism Entity. The tourism entity may from time-to-time present special non-budgeted promotions that may require the use of the reserve funds. The expenditure of funds from the Reserve Funds account, for any reason, shall require an approval by a two-thirds (2/3rds) vote by the full Commission membership present at a meeting, properly noticed and at which a quorum is present.



- (b) Municipal Allocation. The Commission shall distribute thirty (30%) percent of the room taxes to the Member Municipalities for such uses and purposes as the governing body of each such Member Municipality shall so determine.

Section 7.2 DISTRIBUTION OF ROOM TAXES COLLECTED. Room Taxes collected by the Commission shall be distributed to the Tourism Entity and the Municipalities as made and provided in Section 7.1 within thirty (30) days of their receipt by the Commission.

## ARTICLE VIII

### COMPLIANCE AND ENFORCEMENT

Section 8.1 FAILURE TO TIMELY FILE MONTHLY ROOM TAX REPORT. The Commission shall require that a Lodging Provider file a Monthly Room Tax Report by the end of the month following the month in which the room tax reported by that Return is reported unless otherwise provided by state regulation. Any Monthly Room Tax Report filed after that date shall be subject to a Late Filing Fee of \$25.00, in addition to other penalties, fees and interest as may be applicable hereunder.

Section 8.2 FAILURE TO TIMELY PAY ROOM TAX. The tax imposed pursuant to the Member Municipalities Room Tax Ordinances shall become delinquent if not paid by Lodging Provider by the due date of the Monthly Room Tax Return as provided in Section 8.1 hereof. A forfeiture of twenty-five percent (25%) of the room tax due or five thousand dollars (\$5,000.00) whichever is less, of the tax imposed, but not less than \$25.00, shall be established and enforced by the Commission. In addition to this forfeiture, all unpaid taxes under this ordinance shall bear interest at the rate of twelve percent (12%) per annum from the due date of the Return until the payment is received and deposited by the Commission.

Section 8.2 INSPECTION AND AUDIT. Pursuant to Sec. 66.0615(2)(a), Wis. Stats., whenever the Commission has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, or that the tax has not been paid, the Commission is authorized to examine and inspect the books, records, memoranda and property of any person who is subject to a local Room Tax Ordinance in order to verify the tax liability of that person or another person. Any Lodging Provider who fails to comply with a request from the Commission for such inspection or audit shall be subject to a penalty of five (5%) of the room tax thereafter determined to be due.

Section 8.3 ROOM TAX ESTIMATE. Pursuant to Sec. 66.0615(2)(c), Wis. Stats., whenever a Lodging Provider fails, neglects or otherwise refuses to file a Monthly Room Tax Return within the time, manner or form required by the Commission, the Commission may, using its best judgment, estimate the room tax due. The room tax estimated hereunder shall be subject to a penalty of twenty (20%) percent of the estimated tax due, plus all associated interest, penalties and late fees as provided hereunder. No refund or modification of the tax determined to be due

and owing shall be made until the Lodging Provider files a correct room tax return and permits the Commission to inspect and audit the Lodging Provider's financial records to verify compliance.

Section 8.4 FALSE OR FRAUDULENT RETURN. The Commission shall impose upon any Lodging Provider who files a false or fraudulent return with the intent to defeat, delay or evade the tax imposed by this ordinance, a penalty of fifty (50%) percent of the tax determined to be due or twenty-five (25%) percent of the room tax due from the previous year or \$5,000.00, whichever is less, plus interest and other penalties as provided under Sec. 66.0615(2), Wis. Stats.

Section 8.5 SEPARATE VIOLATIONS. In the administration of the Room Tax, the Commission shall treat each room or unit separately rented or offered for rent, and each day of such rental or offer for rental of such unit shall be a separate violation for enforcement purposes hereunder. In addition, the Commission may pursue injunctive relief to discontinue repeated violations of the local Room Tax Ordinances.

Section 8.6 PROSECUTIONS. The Commission shall be responsible for compliance enforcement proceedings against any non-compliant Lodging Provider or Lodging Marketplace Provider. Pursuant to the local Room Tax Ordinances, any Lodging Provider or Lodging Marketplace Provider determined to have violated any of the provisions of this ordinance shall be obligated to pay the costs of enforcement and prosecution, in addition to actual attorney's fees and audit expenses, expended in the course of the enforcement and prosecution of such Ordinances.

Section 8.7 COORDINATION WITH DEPARTMENT OF REVENUE. The Commission, through its attorney, may coordinate enforcement efforts with the Department of Revenue for the collection of all delinquent Room Tax and may contract with a collection agency. The Commission shall be responsible for prosecuting fraudulent returns and collecting delinquent tax, penalties and interest. All amounts recovered, whether in the form of tax, penalties, or interest shall be subject to the provisions of Article VII.

## ARTICLE IX MISCELLANEOUS PROVISIONS

Section 9.1 GOVERNING LAW AND VENUE. This Agreement and the rights of the Parties hereunder shall be interpreted and enforced in accordance with the laws of the State of Wisconsin. All actions involving breach of this Agreement shall be venued in Door County, Wisconsin.

Section 9.2 SEVERABILITY. In the event that any provision of this Agreement, or any part thereof, is held by a court of competent jurisdiction to be invalid, ineffective or unenforceable, and in the reasonable opinion of any Member Municipality such event invalidates the purpose or intent of this Agreement, then the balance of this Agreement shall survive only to the extent that the Parties agree, in writing, to a mutually-satisfactory amendment by which they are able to satisfy the intent of this Agreement by alternative means. If, under such circumstances and after good faith negotiations, the Parties are unable to reach such a mutually-acceptable written amendment



to satisfy the intent of the Agreement, then this Agreement shall be null and void and of no further legal effect.

Section 9.3 INTERPRETATION. This Agreement shall be interpreted as though jointly drafted by the Parties.

Section 9.4 HEADINGS. The headings, titles or captions contained in this Agreement have been inserted only as a matter of convenience and for reference, and such captions in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 9.5 NO THIRD-PARTY BENEFICIARIES. This Agreement does not create any third-party benefits to any person or entity other than the Member Municipalities and the Commission and is solely for the consideration herein expressed.

Section 9.6 FURTHER ACTION. Each of the Member Municipality agrees from time to time to execute and deliver such further instruments, and to take such further action not inconsistent with the provision of this Agreement, as may reasonably be necessary in order to fully perform and carry out the terms and intent of the Agreement.

Section 9.7 AMENDMENTS. This Agreement may not be modified or amended except by a written instrument executed by the Parties hereto. Amendments to this Agreement shall require a minimum of two-thirds (2/3rds) approval by the Member Municipalities.

Section 9.8 EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement.

Section 9.10 ENTIRE AGREEMENT. This Agreement, including the Attachments hereto, contains the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and matters related thereto, and does hereby supersede and render null and void and of no further force or effect any and all prior agreements, drafts of agreements and understandings between the Parties.

IN WITNESS WHEREOF, the Member Municipalities have by their duly authorized officers and representatives set their hands and affixed their seals on the date set forth below.

Dated: Aug. 23, 2021

TOWN OF FORESTVILLE

By: Roy Englebert  
Roy Englebert, Town Chair

Attest:

By: Ruth Kerscher  
Ruth Kerscher, Town Clerk

CLERK'S CERTIFICATION

I, Ruth Kerscher, Town Clerk of the TOWN OF FORESTVILLE, WISCONSIN do hereby certify and affirm that the forgoing THIRD AMENDMENT TO INTERGOVERNMENTAL ROOM TAX AGREEMENT was duly and properly approved by Resolution of the Village Board approved and adopted at a meeting of the Town Board held on August 23, 2021 duly called and held upon due notice thereof as posted and published in the manner made and provided by law; and, that the said Resolution has not been amended or revised since the approval thereof.

IN WITNESS WHEREOF I have hereto set my hand and seal as of this 23<sup>rd</sup> of August, 2021.

TOWN OF FORESTVILLE

By: Ruth Kerscher  
Ruth Kerscher, Town Clerk