

ORDINANCE NO. 2021-02
AN ORDINANCE AMENDING THE PROVISIONS OF THE TOWN OF
SEVASTOPOL ROOM TAX ORDINANCE.

WHEREAS, pursuant to Sec. 66.0615, Wis. Stats., the Town of Sevastopol has previously adopted an ordinance imposing a tax on the privilege of furnishing, at retail, rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public (the “Room Tax”); and,

WHEREAS, the Town of Sevastopol is desirous of amending its current Room Tax Ordinance to increase the Room Tax to eight (8.0%) percent as authorized by Sec. 66.0615(1m)(a), Wis. Stats.; and

WHEREAS, the Town of Sevastopol is desirous of amending its current Room Tax Ordinance to address issues of enforcement and collection of the room tax as imposed thereunder; and

WHEREAS, Door County Tourism Zone Commission, previously established by the municipalities of Door County, including the Town of Sevastopol, has recommended revisions to the current municipal Room Tax Ordinances in the manner set forth on EXHIBIT “A” hereto;

NOW THEREFORE, the Town Board of Sevastopol, Door County, Wisconsin, does hereby ordain as follows:

SECTION 1 Adoption of Code Amendment.

That the amendments to the current Room Tax Ordinance, as set forth on EXHIBIT “A” attached and annexed hereto and incorporated herein, be, and the same hereby are adopted as amendments to Sections 18.1 through 18.9 of the Code of Ordinance of the Town of Sevastopol.

SECTION 2 Available for Inspection.

A copy of this code section shall be permanently on file and open to public inspection in the Office of the Town Clerk after its enactment and for a period of not less than two (2) weeks before its enactment.

SECTION 3 Ordinances in Conflict.

All other ordinances in conflict herewith be, and the same hereby are repealed.

SECTION 4 Effective Date

This ordinance shall take effect and be in full force from and after its passage and publication according to law.

SECTION 5 Severability

If a court of competent jurisdiction adjudges any section, clause, provision or portion of this ordinance unconstitutional or invalid, the remainder of this ordinance shall not be affected thereby.

ADOPTED: _____

APPROVED: _____

Town of Sevastopol

By: _____

Dan Woelfel, Chairman

By: _____

Attest: Amy M. Flok, Clerk

EXHIBIT “A”

ROOM TAX ORDINANCE

Section 1 **DEFINITIONS**

In this Ordinance, the following words and phrases shall have the following meanings when used in this Contract, unless the context clearly indicates a different meaning is intended:

- (a) “*Commission*” has the meaning defined in Sec. 66.0615(a), Wis. Stats.
- (b) “*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.
- (c) “*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.
- (d) “*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.
- (e) “*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.
- (f) “*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.

- (g) *“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.
- (h) *“Lodging Provider”* shall mean the operator of a Hotel or Motel, as defined herein above.
- (i) *“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.
- (j) *“Municipality”* means the Town of Sevastopol, Door County, Wisconsin.
- (k) *“Payor”* means the transient lodging person or entity who owes the tax imposed by this ordinance.
- (l) *“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.
- (m) *“Room Tax”* means the tax imposed pursuant to this ordinance 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.
- (n) *“Tourism”* has the meaning as defined in Sec.66.0615(1)(e), Wis. Stats., as being any travel for recreational, business or educational purposes.
- (o) *“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.
- (p) “*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.
- (q) “*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.
- (r) “*Tourism Zone Agreement*” shall mean an 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.
- (s) “*Tourism Zone Audit*” shall mean the annual Room Tax audit to be performed by the Commission and provided to the Member Municipalities.
- (t) “*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 2 CREATION OF TOURISM ZONE

- (a) Establishment and Authorization. Pursuant to Sec. 66.0615(1m)(b)(2), Wis. Stats., the Town of Sevastopol does, by the adoption of this Ordinance, re-affirm the establishment and its membership and participation in the Door County Tourism Zone for the purpose of promoting Door County, Wisconsin as a single tourism destination under and pursuant to the terms and conditions of the Tourism Zone Agreement.

- (b) Tourism Zone Operation. The Tourism Zone shall be administered and operated by a commission pursuant to Sec. 66.0615(1m)(b), Wis. Stats., which shall be established under a contract with the other Member Municipalities pursuant to Sec. 66.0301, Wis. Stats., to create a commission which shall administer and monitor the collection of room taxes from the Member Municipalities, as more particularly described in Section 6 hereof, and shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.

Section 3 IMPOSITION OF ROOM TAX

- (a) Tax Imposed. Pursuant to Sec. 66.0615, Wis. Stats., a tax is hereby imposed on the privilege and services of furnishing, at retail, of rooms or lodging to transients by hotel keepers, motel operators and other persons furnishing accommodations that are available to the public, irrespective of whether membership is required for the use of the accommodations. Such tax shall be at the rate of 8.0% percent of the gross receipts from such retail furnishing of rooms or lodgings. Such tax shall not be subject to the selective sales tax imposed by Sec. 77.52 (2)(a)1, Wis. Stats., and may not be imposed upon sales to the Federal Government and persons listed under Sec. 77.54 (9a), Wis. Stats.
- (b) Taxation Effective Date. The effective date of the Room Tax shall be January 1, 2022.
- (c) Room Tax Payment Frequency. Subject to the Room Tax exemptions provided in Section 3(a) hereof, the Lodging Provider shall impose upon and collect from each Transient Lodger the Room Tax established Section 3(a) hereof and paid by the lodging property thereafter pay over the collected Room Tax to the Commission on a monthly basis. The Room Tax collected hereunder shall be paid by the end of the month following the month in which it was collected. The Room Tax is owed to the local municipality which imposed the tax, but the municipality directs that all checks be sent directly to the Commission. If the Room Tax payments for all properties in a municipality are sent directly to the Commission, the Commission will send one check by the on or before the end of each month to the municipality for thirty percent (30%) of all Room Tax collected the previous month along with a report showing the amount of Room Tax collected from each lodging property. In the latter case, the Commission does all the paperwork as part of their monitoring.
- (d) Room Tax Responsibility. The correct amount of Room Tax shall accompany each lodging property's monthly room tax return and be made payable to the Door County Tourism Zone Commission unless any portion of that Tax is otherwise collected and paid to the Commission by a Lodging Marketplace. If any person liable for any amount of tax under this agreement sells, transfers, assigns or conveys their transient lodging business, or their lodging property, their successors or assignee shall, as a condition of receiving a new Lodging Permit under the provisions of Section 4 hereof, withhold a sufficient amount of from the purchase price to

cover any and all applicable taxes, fees, interest and penalties, if any, until the former owner produces a receipt from the Commission that all such taxes, fees, interest and penalties have been paid or a certificate stating that no amount is due. If any person subject to the tax imposed by this agreement fails to withhold from the purchase price any tax, fees, interest or penalties otherwise due hereunder as required, they shall be personally liable for the payment thereof, even if such new owner of the lodging property is not continuing the transient lodging business.

(e) Monthly Room Tax Return.

- (1) Filing Date. The Monthly Room Tax Return shall be filed by the Lodging Provider by the end of the month following the month in which the room tax reported by that Return. The Room Tax Report filed by a Lodging Marketplace Provider shall be filed by the end of the month following the month in which the room tax reported by that Return unless otherwise provided by state regulation.
- (2) Required Information. The Monthly Room Tax Return filed with the room tax payment by the Lodging Provider shall contain 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), and
 - i. The signature of the person filling out this return, attesting to the accuracy of the Return.

This information will allow the Commission to judge the accuracy of the return, and, with all returns in total, to judge the effectiveness of the tourism promotion. The Commission shall establish the form of the monthly tax return as either a paper and/or electronic document.

- (3) Amended or Corrected Room Tax Return. A Lodging Provider may, within forty-eight (48) months of the original filing date file an amended or corrected Monthly Room Tax Return. 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.

(f) Non-Compliance and Delinquent Room Tax.

- (1) Failure to Timely File Monthly Room Tax Report. The Lodging Provider's Monthly Room Tax Report shall be filed within the time specified in Section 3(e)(1) hereinabove. 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.
- (2) Failure to Timely Pay Room Tax. The tax imposed pursuant to this ordinance shall become delinquent if not paid by Lodging Provider by the due date of the return as established in Section 3(e)(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, is hereby established and due and owing in the event that the room tax is not paid within thirty (30) days after the due date of the return. 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.
- (3) Inspection and Audit. 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 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 shall be subject to a penalty of five (5%) of the room tax determined to be due.
- (4) Room Tax Estimate. 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.
- (5) False or Fraudulent Return. A Lodging Provider who files a false or fraudulent return with the intent to defeat, delay or evade the tax imposed by this ordinance, shall be subject to a penalty of fifty (50%) percent of the tax determined to be due; 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(2m), Wis. Stats.

- (6) Separate Violations. 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. In addition, injunctive relief is hereby authorized to discontinue violation of this ordinance.
- (7) Prosecutions. 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 fees expended in the course of said enforcement and prosecution.
- (g) 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 also applies 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.
- (h) Confidentiality of Reports. All Room Tax returns, schedules, exhibits, writings or audit reports relating to such returns, on file with the Commission and the municipality are deemed confidential pursuant to Sec. §66.0615(3), Wis. Stats., except they may divulge their contents to the following, and no others:
 - (1) The person who filed the return.
 - (2) Officers, employees or agents of the Town Treasurer and the Commission or its duly authorized agents and representatives.
 - (3) Other persons for the use in the discharge of duties imposed by law, or in the discharge of the duties of their office (unless otherwise prohibited by law), or by order of a Court.

Section 4 LODGING ESTABLISHMENTS TO BE LICENSED

- (a) License Required. Any party supplying transient lodging in the Town shall obtain and maintain a Lodging Permit from the Commission permitting the rental of accommodations. No accommodations shall be rented or available for rental for a period of less than thirty (30) days by any party not possessing a lodging permit issued by the Commission.

- (b) Permit Application. Any party furnishing lodging accommodations to transient guests in the Town shall apply to and file with the Commission, on forms provided by the Commission, an application to operate each place of business subject to this ordinance. There shall be no cost for the filing of the application for the Lodging Permit. The application form shall include, at minimum, the following information:
- (1) 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.
 - (2) 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.
 - (3) The physical and mailing address of the business.
 - (4) Number of rental units at the location for each month of the year during which the business is operating.
 - (5) The driver's license number and or Federal Employer Identification Number of the owner of the lodging business.
 - (6) The signature of the person designated in item b. above.
 - (7) Operating months indicated on the permit application must match all advertised availability.
 - (8) The Lodging Marketplace Provider online listing ID or ID's for all advertising in any form or format.
- (c) 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.
- (d) Records Retention. As a condition of issuance of a Lodging Permit hereunder, the Lodging Provider agrees to retain all records related to short term lodging services hereunder for a period of not less than seven (7) years.
- (e) Lodging Permit Deactivation. A permitted Lodging Provider who ceases lodging operations may apply to the Commission for the de-activation of their Lodging Permit. De-activation of a Lodging Permit is subject to the following conditions:

- (1) 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.
- (2) The Lodging Provider must be current on all filings and tax payments.

Section 5 LODGING MARKETPLACE PROVIDERS TO BE LICENSED

(a) License Required. 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.

(b) Permit Application. 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 Town shall apply to and file with the Commission, on forms provided by the Commission, an application to provide such services within the Town. There shall be no cost for the filing of the application for the Lodging Marketplace Provider Permit. The application form prepared and supplied by the Commission shall include, at minimum, the following information:

- (1) The name and tradename of Lodging Marketplace Provider under which it transacts business or intends to transact business.
- (2) The physical and mailing address of the Lodging Marketplace Provider.
- (3) The Federal Employer Identification Number (FEIN) of the Lodging Marketplace Provider.
- (4) The email address for the primary contact person at the Lodging Marketplace Provider.
- (5) 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.

(c) Permit Review and Issuance. The Commission may accept the Lodging Marketplace Provider application, review it for accuracy and issue the Lodging Marketplace Provider 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.

(d) Records Retention. As a condition of issuance of a Lodging Marketplace Provider Permit hereunder, the Lodging Marketplace Provider agrees to retain all records related to lodging

marketplace provider services to Lodging Providers hereunder for a period of not less than seven (7) years.

(e) Lodging Marketplace Provider Permit Deactivation. A permitted Lodging Marketplace Provider who ceases operations within Door County, Wisconsin may 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:

- (1) All lodging marketplace platform services in any form or format in Door County, Wisconsin must cease, be discontinued and otherwise terminated.
- (2) The Lodging Marketplace Provider must be current on all filings and tax payments.

Section 6 CREATION OF A COMMISSION

(a) Commission Purpose. The municipalities shall enter into a contract under Wis. Stats. §66.0615 to create a Commission under the Intergovernmental Cooperation provisions of Sec. 66.0301(2), Wis. Stats. The Commission shall contract with a Tourism Entity, as defined under Sec. 66.0615(1)(f), Stats., for the promotion of the destination with a minimum of Seventy (70%) percent of the room taxes collected.

(b) Commission Membership. The Commission created by a Tourism Zone Agreement under Wis. Stats. §66.0615 shall consist of the following members:

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

(c) Commission Member Appointment Process and Terms of Office. Members of the 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 a one-year term, at the pleasure of the appointing official and may be reappointed. 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. Members of the Commission shall receive no pay, but may be reimbursed for their travel expense. While membership on the Commission is provided for each municipality in the Tourism Zone, 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.

- (d) 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.
- (e) Tourism Zone Commission. Authority is hereby delegated to the Door County Tourism Zone Commission to act as agent of this 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.
- (f) Role of Commission. The Commission shall perform such tasks as are specified in the Tourism Zone Agreement.
- (g) 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:
 - 1. 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.
 - 2. 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

3. 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 payment when due, the Commission may withhold that Member Municipality's Municipal room tax allocation payment until such contribution payment is made.

Section 7 DISTRIBUTION OF ROOM TAXES COLLECTED

(a) Allocation of Collected Room Tax. Upon receipt of the room taxes that are collected from Lodging Providers providing transient lodging in the Town the Commission shall, pursuant to Section 66.0615(1m)(d), Wis. Stats.:

- (1) Tourism Promotion and Development. Allocate seventy (70%) percent of the amount collected to be spent on tourism promotion and tourism development within the Tourism Zone in the following manner:
 - a. Forward an amount previously budgeted to be allocated to the Tourism Entity to the Tourism Entity.
 - b. 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.
- (2) Municipal Allocation. Distribute thirty (30%) percent of the room taxes to the Town for such uses and purposes as the Town Board shall determine.

Section 8 TOURISM ENTITY

(a) Contracted Services. The Commission shall, pursuant to Sec. 66.0615(1m)(b) 4, Wis. Stats., 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.

- (b) Tourism Revenue and Expenditure Tracking. The Tourism Entity shall track the use of Room Tax revenues and expenditures and state its impact on generating paid overnight stays in the Member Municipalities.
- (c) Annual Report. The Tourism Entity shall provide a written report as determined by the Tourism Commission, no less than annually, and such report shall be available to the municipality and public upon request.
- (d) Record Inspection. The Tourism Entity shall permit and allow inspections of its records pertaining to the use of the room tax funds upon request of the Tourism Commission at reasonable times.

Section 9 EFFECTIVE DATE

This Ordinance shall be effective on its passage and publication.

Roll Call Board Members	Aye	Nay	Exc.
Derek Denil			
Jeanne Vogel			
Mark Haen			
Dan Woelfel			
Linda Wait			

Certification

I, Amy M. Flok, Clerk/Treasurer of Sevastopol, hereby certify that the above is a true and correct copy of an ordinance that was adopted on the 16th day of August 2021, by the Town Board of Supervisors.

s/ _____
 Amy M. Flok, Clerk/Treasurer
 Town of Sevastopol