

AGENDA

FOX CITIES HOTEL ROOM TAX COMMISSION

June 19, 2017

3:00 pm

Fox Cities Convention & Visitors Bureau
3433 West College Avenue, Appleton, Wisconsin

Call to order	Bruce Sherman
Roll call of membership	Bruce Sherman
Approval of March Minutes	Bruce Sherman
Financial Report on Status of Room Tax Collections	Pam Seidl
Status of Exhibition Center Project	Karen Harkness
CVB Report <ol style="list-style-type: none">1. Required State of WI Reporting Update2. Sports Facility Fund Update	Pam Seidl
Old Business <ol style="list-style-type: none">1. \$300 per Commissioner Payment Status – 2017 payments	Pam Seidl
New Business <ol style="list-style-type: none">1. Election of officers2. Appointment of hotel representatives3. Meeting dates/times	Bruce Sherman
Adjournment	Bruce Sherman

Upcoming meeting dates (all at the CVB) –

September 18, 2017 at 3:00pm

December 18, 2017 at 3:00pm

March 19, 2018 at 3:00pm

June 18, 2018 at 3:00pm

REASONABLE ACCOMMODATIONS FOR PERSONS WITH DISABILITIES WILL BE MADE UPON REQUEST AND IF FEASIBLE.

**FOX CITIES ROOM TAX COMMISSION
MEETING MINUTES**

DATE: March 20, 2017

TIME: 3:00 p.m.

PLACE: Fox Cities Convention & Visitors Bureau

PRESENT: Karen Harkness, Tony Saucerman, Bruce Sherman, Jeff Nooyen, Mike Easker, Al Schaefer, Teri Matheny, George Dearborn, Deb Johnson, Jim March, Thomas Wilde, Jay Schumerth, Chuck Gifford

EXCUSED: Pam Captain, Lee Meyerhoffer, Wayne Streck, Brittany Johnson, Bob Benz

STAFF: Pam Seidl, Kim Tisler

- I. **CALL TO ORDER:** Mr. Sherman called the meeting to order at 3:00pm.
- II. **MINUTES:** Minutes of the December 2016 meeting were mailed in advance. **Mr. March moved approval of the December minutes as presented. Second by Mr. Nooyen. Motion carried.**
- III. **FINANCIAL REPORT:** Ms. Seidl reviewed the Commission's financial position as of March 3, 2017, which included room tax collections through the 4th quarter of the year, along with a complete summary of all room tax collected in 2016. **Mr. March moved approval of the financial report as presented. Second by Mr. Schumerth. Motion carried.**
- IV. **EXHIBITION CENTER PROJECT:** Ms. Harkness gave a status update on the expo center project. Site work continues. The City of Appleton's financing package is coming together and will be sent to area financial institutions in the near future. All area municipalities will have to approve the financing package.
- V. **PAC BONDS:** Mr. Saucerman commented on the status of the Fox Cities Performing Arts Center bonds. Nothing has changed since he last reported. Bonds are still tracking ahead of schedule and are expected to be paid off in September of 2017. It was decided that since bond payments are made on an annual basis, it isn't necessary to report on the status of the PAC bonds at the June 2017 meeting of the Commission.
- VI. **CVB REPORT:** A copy of the Bureau's Annual Report was included with the meeting packet. Ms. Seidl made available a copy of the Bureau's 2017 Strategic Plan and shared the goals and

objectives of the plan. Due to the confidential nature of the plan, a copy of the plan will not be made available to Commission members.

The Bureau's annual audit for 2016 is complete and will be presented to the Fox Cities CVB's board of directors at their March 28, 2017 meeting. Each commission member will receive an electronic copy of the audit once the document has been reviewed and approved. As has been done in the past, the CVB will continue to send a copy of the annual audit to the finance director at each municipality.

Ms. Seidl reviewed the new State of Wisconsin room tax reporting requirements for area municipalities. Bureau staff has fulfilled their obligation of the requirements and has shared this with the municipalities. It was suggested that all Fox Cities Room Tax Commission members follow up with their municipal clerk to ensure that all reporting requirements are being met.

- VII. **OLD BUSINESS:** A draft of the Commission's bylaws was reviewed by Herrling Clark Law Firm. A copy of the proposed bylaws was included in member meeting packets. In Section 4.06 and in the line that reads 'which information was obtained by the Municipalities under Section 66.0615(2)', Ms. Harkness suggested adding 'or any other third party providers' after the word Municipalities. **Mr. March moved to approve the draft bylaws as presented, with the additional verbiage. Second by Mr. Dearborn. Motion carried.**

2016 Commission member fees have been collected. Several municipalities have paid their fee for 2017.

- VIII. **NEW BUSINESS:** Included in the meeting packet was a summary of the Bureau's 2016 expenses for providing administrative and financial support to the Commission.

Ms. Seidl produced the Fox Cities Room Tax Commission Annual Report for 2016. Members asked that a copy of the report be sent to each municipal clerk.

An invoice from Herrling Clark Law Firm was received following completion of the draft bylaws, and presented for discussion and approval. **Mr. March moved to approve paying the invoice of \$2,079.00. Second by Ms. Johnson. Motion carried.** The invoice will be paid from the account designated for Commission member fees.

Ms. Seidl will reach out to area municipalities to confirm Commission appointments for 2017-2018. Appointments will be confirmed at the June 19, 2017 meeting of the Commission.

- IX. **ADJOURNMENT: Mr. Sherman moved for adjournment. Second by Mr. Easker. Motion carried.**

Next Meeting: June 19, 2017
Monday, March 20 at 3 p.m.

**Fox Cities Room Tax Commission
Balance Sheet
June 12, 2017**

	<u>Current Year</u>	<u>Year to Date</u>
ASSETS		
Current Assets		
1003-30-00	BLC Expo Center MM Acct	\$ 911,780.89
1004-30-00	BLC Fox Cities Rm Tax Comm	7,221.00
	Total Current Assets	919,001.89
Other Assets		
	0.00	
	Total Other Assets	0.00
	Total Assets	\$ 919,001.89
 LIABILITIES AND CAPITAL		
Current Liabilities		
	0.00	
	Total Current Liabilities	0.00
Long-Term Liabilities		
2720-30-00	BLC Expo Center	\$ 911,780.89
2721-30-00	BLC Fox Cities Rm Tax Comm	7,221.00
	Total Long-Term Liabilities	919,001.89
	Total Liabilities	919,001.89
Capital		
	0.00	
	Total Capital	0.00
	Total Liabilities & Capital	\$ 919,001.89

**Fox Cities Room Tax Commission
Summary Income Statement
For the Twelve Months Ending June 12, 2017**

	<u>Year to Date</u>
<u>Revenues</u>	
Room Tax Income - Expo Cntr	328,251.86
Room Tax Income - Expo Cntr (4thQ 2016)	755.84
Room Tax Commission Member Fees	4,500.00
Interest Income	34.66
Total Revenues	<u>333,542.36</u>
 <u>Expenses</u>	
Herrling Clark Law	2079.00
Total Expenses	<u>2,079.00</u>
Net Income	<u>\$ 331,463.36</u>

2017 Quarterly Summary

2017	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net CVB allocation	\$ 311,839.27				\$ 311,839.27
Exhibition Center allocation	\$ 328,251.86				\$ 328,251.86
Sports Facility allocation	\$ 109,417.29				\$ 109,417.29
PAC allocation (remitted to Associated)	\$ 218,834.57				\$ 218,834.57
Total Amount retained by Municipality	\$ 125,829.88				\$ 125,829.88
Total	\$ 1,094,172.86	\$ -	\$ -	\$ -	\$ 1,094,172.86

Hotel/Motel Transient Room Tax Remittance 2017 - 1st Quarter

	Appleton	Grand Chute	Kaukauna	Kimberly	Little Chute	City Menasha	Vlg Fox Crossing	City Neenah	Twtn Neenah	Sherwood	Total
Room Revenue for Quarter	\$ 2,902,435.29	\$ 5,788,331.76	\$ 88,530.00	\$ 915,283.43	\$ 397,068.13	\$ 1,837.70	\$ 1,349.95	\$ 846,622.38	\$ 270.00	\$ -	\$ 10,941,728.64
Room tax receipts for quarter	\$ 290,243.53	\$ 578,833.18	\$ 8,853.00	\$ 91,528.34	\$ 39,706.81	\$ 183.77	\$ 135.00	\$ 84,662.24	\$ 27.00	\$ -	\$ 1,094,172.86
CVB Allocation	\$ 87,073.06	\$ 173,649.95	\$ 2,655.90	\$ 27,458.50	\$ 11,912.04	\$ 55.13	\$ 40.50	\$ 25,398.67	\$ 8.10	\$ -	\$ 328,251.86
LESS amount retained by municipality	\$ 4,353.65	\$ 8,682.50	\$ 132.80	\$ 1,372.93	\$ 595.60	\$ 2.76	\$ 2.02	\$ 1,269.93	\$ 0.41	\$ -	\$ 16,412.59
Net CVB allocation	\$ 82,719.41	\$ 164,967.46	\$ 2,523.11	\$ 26,085.58	\$ 11,316.44	\$ 52.37	\$ 38.47	\$ 24,128.74	\$ 7.70	\$ -	\$ 311,839.27
Exhibition Center allocation	\$ 87,073.06	\$ 173,649.95	\$ 2,655.90	\$ 27,458.50	\$ 11,912.04	\$ 55.13	\$ 40.50	\$ 25,398.67	\$ 8.10	\$ -	\$ 328,251.86
Sports Facility allocation	\$ 29,024.35	\$ 57,883.32	\$ 885.30	\$ 9,152.83	\$ 3,970.68	\$ 18.38	\$ 13.50	\$ 8,466.22	\$ 2.70	\$ -	\$ 109,417.29
Total remitted to CVB	\$ 198,816.82	\$ 396,500.73	\$ 6,064.31	\$ 62,696.91	\$ 27,199.17	\$ 125.88	\$ 92.47	\$ 57,993.63	\$ 18.50	\$ -	\$ 749,508.41
PAC allocation (remitted to Associated	\$ 58,048.71	\$ 115,766.64	\$ 1,770.60	\$ 18,305.67	\$ 7,941.36	\$ 36.75	\$ 27.00	\$ 16,932.45	\$ 5.40	\$ -	\$ 218,834.57
Municipality allocation to be retained by municipality	\$ 29,024.35	\$ 57,883.32	\$ 885.30	\$ 9,152.83	\$ 3,970.68	\$ 18.38	\$ 13.50	\$ 8,466.22	\$ 2.70	\$ -	\$ 109,417.29
Municipality portion of CVB allocation	\$ 4,353.65	\$ 8,682.50	\$ 132.80	\$ 1,372.93	\$ 595.60	\$ 2.76	\$ 2.02	\$ 1,269.93	\$ 0.41	\$ -	\$ 16,412.59
Total Amount retained by Municipality	\$ 33,378.01	\$ 66,565.82	\$ 1,018.10	\$ 10,525.76	\$ 4,566.28	\$ 21.13	\$ 15.52	\$ 9,736.16	\$ 3.11	\$ -	\$ 125,829.88

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Exhibition Center allocation	\$ 328,251.86
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Total Amount retained by Municipality	\$ 125,829.88
Total	\$ 1,094,172.86



Wisconsin Room Tax Report

Within the 2015-2017 budget (2015 Wisconsin Act 55), the state modified sec. 66.0615, Wis. Stats. Starting in 2017, every municipality that imposes room tax must file an annual report with the Wisconsin Department of Revenue (DOR). The form reporting 2016 activity is due **May 1, 2017**.

General Information

- Municipalities must electronically file (e-file) form with DOR
- E-file form will allow attachments
 - Acceptable formats: PDF, TIF, JPG, BMP, Microsoft Word or Excel
 - 16MB maximum is the total combined size for all attachments

Form Information

The information listed below must be reported for the previous calendar year (2016).

Section I

- Gross amount of room taxes collected (whole dollars)
- Room tax rate imposed (percentage)

Section II

- Amount forwarded to a tourism entity/commission (whole dollars)
- Name of the tourism entity/commission

Section III

- For each tourism entity/commission listed in Section II, enter the members of its governing body including:
 - First and last name of each member
 - Name of business entity the member owns, operates, or is employed by (if any)

Section IV

- For each expenditure of \$1,000 or more, enter:
 - Date
 - Recipient name
 - Amount (whole dollars)
 - Description (optional)
- Items of note:
 - This information is provided by the tourism entity/commission to the municipality
 - It is acceptable for a joint tourism entity/commission to report the same expenditures for its participating municipalities. In this situation, each municipality would report the same expenditures.
 - Expenditures may be attached in an acceptable file format
 - A single entry for "Payroll" is acceptable
 - For all other expenditures, report the ultimate recipient (ex: for credit card payments, list the ultimate recipient)

Section V

- If your municipality collected room tax on May 13, 1994, you must attach:
 - Room tax ordinance in effect on May 13, 1994
 - Municipality's financial statement closest to May 13, 1994

Publication

- DOR will post all completed forms and attachments on our website

Additional Information

- Review:
 - DOR Local Room Tax Fact Sheet at: revenue.wi.gov/pubs/slf/rmtx.pdf
 - 2015 Wisconsin Act 55 at: <http://docs.legis.wisconsin.gov/2015/related/acts/55>

If you have questions, contact us at lgs@revenue.wi.gov.

Wisconsin Department of Revenue

Division of State and Local Finance
Local Government Services Bureau
January 14, 2016

Member Contributions

			2016 per member	
	#members	date paid	fee	total
Appleton	3	10.24.16	\$ 300.00	\$ 900.00
Grand Chute	3	11.04.16	\$ 300.00	\$ 900.00
Kaukauna	1	02.28.17	\$ 300.00	\$ 300.00
Kimberly	2	10.17.16	\$ 300.00	\$ 600.00
Little Chute	1	10.25.16	\$ 300.00	\$ 300.00
City Menasha	1	10.24.16	\$ 300.00	\$ 300.00
Vlg Fox Crossing	1	10.31.16	\$ 300.00	\$ 300.00
City of Neenah	2	12.19.16	\$ 300.00	\$ 600.00
Town Neenah	1	11.02.16	\$ 300.00	\$ 300.00
Vlg Sherwood	1	10.31.16	\$ 300.00	\$ 300.00
				\$ 4,800.00

			2017 per member	
	#members	date paid	fee	total
Appleton	3	2.28.17	\$ 300.00	\$ 900.00
Grand Chute	3	3.06.17	\$ 300.00	\$ 900.00
Kaukauna	1	2.28.17	\$ 300.00	\$ 300.00
Kimberly	2	2.20.17	\$ 300.00	\$ 600.00
Little Chute	1			\$ -
City Menasha	1	6.7.17	\$ 300.00	\$ 300.00
Vlg Fox Crossing	1	2.13.17	\$ 300.00	\$ 300.00
City of Neenah	2	6.7.17	\$ 300.00	\$ 600.00
Town Neenah	1	1.10.17	\$ 300.00	\$ 300.00
Vlg Sherwood	1	2.28.17	\$ 300.00	\$ 300.00
				\$ 4,500.00

\$ 9,300.00

Herrling Clark Law		3.24.17		(2,079.00)
				\$ 7,221.00

66.0615 Room tax; forfeitures.**(1) In this section:**

- (a) "Commission" means an entity created by one municipality or by 2 or more municipalities in a zone, to coordinate tourism promotion and tourism development for the zone.
- (am) "District" has the meaning given in s. 229.41 (4m).
- (b) "Hotel" has the meaning given in s. 77.52 (2) (a) 1.
- (c) "Motel" has the meaning given in s. 77.52 (2) (a) 1.
- (d) "Municipality" means any city, village or town.
- (dm) "Sponsoring municipality" means a city, village or town that creates a district either separately or in combination with another city, village, town or county.
- (e) "Tourism" means travel for recreational, business or educational purposes.
- (f) "Tourism entity" means 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.
 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.
- (fm) "Tourism promotion and tourism development" means 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.
- (g) "Transient" has the meaning given in s. 77.52 (2) (a) 1.
- (h) "Zone" means an area made up of 2 or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public.

(1m)

- (a) The governing body of a municipality may enact an ordinance, and a district, under par. (e), may adopt a resolution, imposing a tax on 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. A tax imposed under this paragraph may be collected from the consumer or user, but may not be imposed on sales to the federal government and persons listed under s. 77.54 (9a). A tax imposed under this paragraph by a municipality shall be paid to the municipality and, with regard to any tax revenue that may not be retained by the municipality, shall be forwarded to a tourism entity or a commission if one is created under par. (c), as provided in par. (d). Except as provided in par. (am), a tax imposed under this paragraph by a municipality may not exceed 8 percent. Except as provided in par. (am), if a tax greater than 8 percent under this paragraph is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax to 8 percent, effective on June 1, 1994.
- (am) A municipality that imposes a room tax under par. (a) is not subject to the limit on the maximum amount of tax that may be imposed under that paragraph if any of the following apply:
 1. The municipality is located in a county with a population of at least 380,000 and a convention center is being constructed or renovated within that county.
 2. The municipality intends to use at least 60 percent of the revenue collected from its room tax, of any room tax that is greater than 7 percent, to fund all or part of the construction or renovation of a convention center that is located in a county with a population of at least 380,000.

3. The municipality is located in a county with a population of less than 380,000 and that county is not adjacent to a county with a population of at least 380,000, and the municipality is constructing a convention center or making improvements to an existing convention center.
4. The municipality has any long-term debt outstanding with which it financed any part of the construction or renovation of a convention center.

(b)

1. If a single municipality imposes a room tax under par. (a), the municipality may create a commission under par. (c). The commission shall contract with another organization to perform the functions of a tourism entity if no tourism entity exists in that municipality.
2. If 2 or more municipalities in a zone impose a room tax under par. (a), the municipalities shall enter into a contract under s. 66.0301 to create a commission under par. (c). If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity. Each municipality in a single zone that imposes a room tax shall levy the same percentage of tax. If the municipalities are unable to agree on the percentage of tax for the zone, the commission shall set the percentage.
3. A commission shall monitor the collection of room taxes from each municipality in a zone that has a room tax.
4. A commission 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.

(c)

1. If a commission is created by a single municipality, the commission shall consist of 4 to 6 members. One of the commission members shall represent the Wisconsin hotel and motel industry. Members shall be appointed under subd. 3.
2.
 - a. If the commission is created by more than one municipality in a zone, the commission shall consist of 3 members from each municipality in which annual tax collections exceed \$1,000,000, 2 members from each municipality in which annual tax collections exceed \$300,000 but are not more than \$1,000,000 and one member from each municipality in which annual tax collections are \$300,000 or less. Except as provided in subd. 2. b., members shall be appointed under subd. 3.
 - 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 reappointed.
3. 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 for a one-year term, at the pleasure of the appointing official, and may be reappointed.
4. The commission shall meet regularly, and, from among its members, it shall elect a chairperson, vice chairperson and secretary.
5. The commission shall report any delinquencies or inaccurate reporting to the municipality that is due the tax.

(d)

1. A municipality that first imposes a room tax under par. (a) after May 13, 1994, shall spend at least 70 percent of the amount collected on tourism promotion and tourism development. Any amount of room tax collected that must be spent on tourism promotion and tourism development shall either be forwarded to the commission for its municipality or zone if the municipality has created a commission, or forwarded to a tourism entity.
2. Subject to par. (dm), if a municipality collects a room tax on May 13, 1994, it may retain not more than the same percentage of the room tax that it retains on May 13, 1994. If a municipality that collects a room tax on May 1, 1994, increases its room tax after May 1, 1994, the municipality may retain not more than the same percentage of the room tax that it retains on May 1, 1994, except that if the municipality is not exempt under par. (am) from the maximum tax that may be imposed under par. (a), the municipality shall spend at least 70 percent of the increased amount of room tax that it begins collecting after May 1, 1994, on tourism promotion and development. Any amount of room tax collected that must be spent on tourism promotion and tourism development shall either be forwarded to the commission for its municipality or zone if the municipality has created a commission, or forwarded to a tourism entity.
3. A commission shall use the room tax revenue that it receives from a municipality for tourism promotion and tourism development in the zone or in the municipality.

4. The commission shall report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent.
 5. The commission may not use any of the room tax revenue to construct or develop a lodging facility.
 6. If a municipality issued debt or bond anticipation notes before January 1, 2005, to finance the construction of a municipally owned convention center or conference center, nothing in this section may prevent the municipality from meeting all of the terms of its obligation.
 7. Notwithstanding the provisions of subds. 1. and 2., any amount of room tax revenue that a municipality described under s. 77.994 (3) is required to spend on tourism promotion and tourism development shall be forwarded to, and spent by, the municipality's tourism entity, unless the municipality creates a commission and forwards the revenue to the commission.
 8. The governing body of a tourism entity shall include either at least one owner or operator of a lodging facility that collects the room tax described in this section and that is located in the municipality for which the room tax is collected or at least 4 owners or operators of lodging facilities that collect the room tax described in this section and that are located in the zone for which the room tax is collected. Subdivision 4., as it applies to a commission, applies to a tourism entity.
- (dm) Beginning with the room tax collected on January 1, 2017, by a municipality that collected a room tax on May 13, 1994, as described in par. (d) 2., and retained more than 30 percent of the room tax collected for purposes other than tourism promotion and tourism development, such a municipality may continue to retain, each year, the greater of either 30 percent of its current year revenues or one of the following amounts:
1. For fiscal year 2017, the same dollar amount of the room tax retained as the municipality retained in its 2014 fiscal year.
 2. For fiscal year 2018, the same dollar amount of the room tax retained as the municipality retained in its 2013 fiscal year.
 3. For fiscal year 2019, the same dollar amount of the room tax retained as the municipality retained in its 2012 fiscal year.
 4. For fiscal year 2020, the same dollar amount of the room tax retained as the municipality retained in its 2011 fiscal year.
 5. For fiscal year 2021 and thereafter, the same dollar amount of the room tax retained as the municipality retained in its 2010 fiscal year.
- (e)
1. Subject to subd. 2., a district may adopt a resolution imposing a room tax under par. (a) in an amount not to exceed 3 percent of total room charges. A majority of the authorized members of the district's board may vote that, if the balance in a special debt service reserve fund of the district is less than the requirement under s. 229.50 (5), the room tax imposed by the district under this subdivision is 3 percent of total room charges beginning on the next January 1, April 1, July 1 or October 1 after the payment and this tax is irrevocable if any bonds issued by the district and secured by the special debt service reserve fund are outstanding. A room tax imposed by a district under this subdivision applies within the district's jurisdiction, as specified in s. 229.43, and the proceeds of the tax may be used only for the district's debt service on its bond obligations. If a district stops imposing and collecting a room tax, the district's sponsoring municipality may impose and collect a room tax under par. (a) on the date on which the district stops imposing and collecting its room tax.
 2. In addition to the room tax that a district may impose under subd. 1., if the district's only sponsoring municipality is a 1st class city, the district may adopt a resolution imposing an additional room tax. The additional percentage of room tax under this subdivision shall be equal to the percentage of room tax imposed by the sponsoring municipality on the date on which the sponsoring municipality agrees to stop imposing and collecting its room tax, as described under s. 229.44 (15). A district shall begin collecting the additional room tax imposed under this subdivision on the date on which the sponsoring municipality stops imposing and collecting its room tax. A room tax imposed by a district under this subdivision applies only within the borders of the sponsoring municipality and may be used for any lawful purpose of the district.
 3. A district adopting a resolution to impose the taxes under subd. 1. or 2. shall deliver a certified copy of the resolution to the secretary of revenue at least 120 days before its effective date.
- (f)
1. The department of revenue shall administer the tax that is imposed under par.(a) by a district and may take any action, conduct any proceeding and impose interest and penalties.

2. Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (3), (13), (14), (18), and (19), 77.522, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), (12) to (15), and (19m), and 77.62, as they apply to the taxes under subch. III of ch. 77, apply to the tax described under subd. 1.
 3. From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97.45 percent of the taxes collected under this paragraph for each district to that district and shall indicate to the district the taxes reported by each taxpayer in that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments. Interest paid on refunds of the tax under this paragraph shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Any district that receives a report along with a payment under this subdivision or subd. 2. is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).
 5. Persons who are subject to the tax under this subsection, if that tax is administered by the department of revenue, shall register with the department. Any person who is required to register, including any person authorized to act on behalf of a person who is required to register, who fails to do so is guilty of a misdemeanor.
- (2) As a means of enforcing the collection of any room tax imposed by a municipality or a district under sub. (1m), the municipality or district may exchange audit and other information with the department of revenue and may do any of the following:
- (a) If a municipality or district has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, inspect and audit the financial records of any person subject to sub. (1m) pertaining to the furnishing of accommodations to determine whether the correct amount of room tax is assessed and whether any room tax return is correct.
 - (b) Enact a schedule of forfeitures, not to exceed 5 percent of the tax under sub.(1m) or par. (c), to be imposed on any person subject to sub. (1m) who fails to comply with a request to inspect and audit the person's financial records under par. (a).
 - (c) Determine the tax under sub. (1m) according to its best judgment if a person required to make a return fails, neglects or refuses to do so for the amount, in the manner and form and within the time prescribed by the municipality or district.
 - (d) Require each person who is subject to par. (c) to pay an amount of taxes that the municipality or district determines to be due under par. (c) plus interest at the rate of 1 percent per month on the unpaid balance. No refund or modification of the payment determined may be granted until the person files a correct room tax return and permits the municipality or district to inspect and audit his or her financial records under par. (a).
 - (e) Enact a schedule of forfeitures, not to exceed 25 percent of the room tax due for the previous year under sub. (1m) or par. (c) or \$5,000, whichever is less, to be imposed for failure to pay the tax under sub. (1m).
- (3) The municipality shall provide by ordinance and the district shall provide by resolution for the confidentiality of information obtained under sub. (2) but shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The municipality or district may provide for the publishing of statistics classified so as not to disclose the identity of particular returns. The municipality or district shall provide that persons violating ordinances or resolutions enacted under this subsection may be required to forfeit not less than \$100 nor more than \$500.
- (4)
- (a) Annually, on or before May 1, on a form created and provided by the department of revenue, every municipality that imposes a tax under sub. (1m) shall certify and report to the department, beginning in 2017, all of the following:
 1. The amount of room tax revenue collected, and the room tax rate imposed, by the municipality in the previous year.
 2. A detailed accounting of the amounts of such revenue that were forwarded in the previous year for tourism promotion and tourism development, specifying the commission or tourism entity that received the revenue. The detailed accounting shall include expenditures of at least \$1,000 made by a commission or a tourism entity.
 3. A list of each member of the commission and each member of the governing body of a tourism entity to which the municipality forwarded room tax revenue in the previous year, and the name of the business entity the member owns, operates, or is employed by, if any.
 - (b) The department of revenue shall collect the reports described in par. (a) and shall make them available to the public.
 - (c) The department of revenue may impose a penalty of not more than \$3,000 on a municipality that does not submit to the department the reports described in par.(a). A municipality may not use room tax revenue to pay a penalty imposed under this paragraph. The penalty shall be paid to the department of revenue.

A city was authorized to enact a room tax. The gross receipts method was a fair and reasonable way of calculating the tax. *Blue Top Motel, Inc. v. City of Stevens Point*, 107 Wis. 2d 392, 320 N.W.2d 172 (1982).

Under sub. (1m) (am), this section favors expenditures to construct or improve convention facilities. However, sub. (1m) (am), only addresses when a municipality may impose a room tax rate of greater than 8 percent and is irrelevant when the city has not exceeded that maximum. The only restrictions the rest of the statute places on the use of room tax monies are found in sub. (1m) (d), which directs a municipality to spend a certain percentage on "tourism promotion and development, which means the promotion and development of travel for recreational, business, or educational purposes. *English Manor Bed and Breakfast v. City of Sheboygan*, 2006 WI App 91, 292 Wis. 2d 762, 716 N.W.2d 531, 05-1358.