



DOOR COUNTY TOURISM ZONE COMMISSION

P.O.B. 55

Sister Bay, WI 54234

920-854-6200

Email: DCTourismZoneCommission@gmail.com

FREQUENTLY ASKED QUESTIONS

April 27, 2007

1. Q. What is the room tax and why was it implemented?

A. In 2006 the Door County Strategic Marketing Coalition commissioned a study to determine alternatives and options to offset the decline in tourism in Door County. The consultant's report recommended a substantial increase in the funding for marketing Door County as a tourism destination. The following municipalities adopted ordinances over the past several months imposing a 5.5% tax on transient lodging. The room tax is authorized to be collected under Section §66.0615 of the Wisconsin State Statutes. The member municipalities as of the date noted above are as follows:

Town of Baileys Harbor
Town of Egg Harbor
Village of Egg Harbor
Village of Ephraim
Town of Gibraltar
Town of Jacksonport
Town of Liberty Grove
Town of Nasewaupée
Town of Sevastopol
Village of Sister Bay

2. Q. What do I charge room tax on?

A. Room tax must be collected on the lodging portion of any stay less than 30 consecutive days, including all amenities, such as breakfast, that are part of the regular rate.

3. Q. What is the function of the Tourism Zone Commission?

A. The Tourism Zone Commission is a government entity created by the intergovernmental agreement (State Statutes Section §66.0615) and must comply with the laws of the State affecting public entities including open meetings and open records. The Commission is responsible for issuing the lodging permits, collecting the room tax, preparing and delivering all the required reports, contracting with a tourism entity (Door County Visitor Bureau) for the purpose of marketing the destination, approving the marketing plan and reviewing the performance measurements. A purpose of the Commission is to insure that the room tax funds collected increase tourism in member municipalities as measured by increased stays in lodging establishments.

4. Q. Where do my room tax dollars go?

A. All of the room tax dollars are paid to the Tourism Zone Commission. The intergovernmental agreement that was part of the adoption of the tax split the total tax into 70% and 30% shares. The 30% share is distributed to the member municipalities. The 70% share is to be spent on marketing the member municipalities as a tourism destination.

5. Q. What will the 70% share be spent on?

A. The Commission will contract with the Door County Visitor Bureau to develop and undertake a variety of marketing efforts designed to increase the number of overnight stays in lodging establishments in member municipalities. A maximum of 4% of the annual room tax collected in the Tourism Zone may be spent on administrative expenses of the Commission. The 4% comes out of the 70% the Commission retains to market the member municipalities. All the room tax revenue the Commission retains (less up to 4%) will be spent on marketing.

6. Q. What guarantees do I get that my room tax collection data will be confidential?

A. First of all the data we are asking you to provide in terms of occupancy rates and lodging sales is essential to know if the marketing efforts of the Door County Visitor Bureau are working. **We will keep your information confidential.** State Statute Section §66.0615(3) mandates the confidentiality of all room tax information and provides for civil forfeitures if the confidentiality is broken. The Commission Intergovernmental Agreement also provides the following mandates:

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, except the Commission or municipality may divulge their contents to the following, and no others:

- a. The person or his or her legal representative who filed the return.
- b. Officers, employees or agents of the municipal treasurer and the Commission.
- c. 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.

The Commission will only discuss individual lodging properties by name in Closed Session. Lodging properties will be identified by number, not name, in Door County Tourism Zone Commission reports to member municipalities.

7. Q. When do I start collecting room tax?

A. You must start collecting the 5.5% room tax on May 1, 2007 even if you have not applied for or have not received a Lodging Permit.

8. Q. When are the taxes due to the Tourism Zone Commission?

A. Room tax is due at the end of the month following the month it was collected.

9. Q. What happens if I do not pay it, or do not pay it on time?

A. As with sales tax, there are penalties and interest due if the room tax is not paid in a timely manner, and the Commission will pursue enforcement. Delinquent returns are subject to a \$25 late filing fee, with increasing forfeitures if the tax is not paid within 30 days after the due date. Interest is 1% per month.

10. Q. Do I also have to be a member of the Door County Visitor Bureau?

A. The collection of the room tax is mandatory, but membership in the Door County Visitor Bureau is voluntary.

11. Q. Will there be a change in the dues I/we currently pay the Door County Visitor Bureau (formerly known as the Door County Chamber of Commerce)?

A. The Door County Tourism Zone Commission is an intergovernmental commission created by the member municipalities and has no role in establishing membership rates, services, or issues associated with the Door County Visitor Bureau. All questions regarding dues and services need to be directed to the Door County Visitor Bureau at (920) 743-4456.

12. Q. We are going to become a "tax island" – 11% for sales tax and room tax combined seems like a lot. What do other tourism areas charge?

A. With sales and room tax combined, here are a few examples:

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|---------------------|--------|---------------|--------|
| Wisconsin Dells, WI | 11% | Madison, WI | 13.5% |
| Bayfield, WI | 12.5% | Key West, FL | 13% |
| Eagle River, WI | 10.5% | Green Bay, WI | 13.5% |
| Milwaukee, WI | 15.35% | Las Vegas, NV | 12.70% |
| Aspen, CO | 18.20% | New York City | 27.25% |

13. Q. Can our municipality drop out of the Tourism Zone?

A. The term of the Door County Tourism Zone Commission Agreement is five years. After the first five years, any member municipality may withdraw, without penalty, from the Tourism Zone Agreement upon giving the Commission six months notice. However, upon withdrawal, the municipality shall convey to the Commission seventy percent (70%) of the room tax generated for the calendar year in which such notice was provided.

14. Q. How is this going to really operate?

A. The Commission has retained the services of the Kerber Rose Accounting firm to create a database, collect all the permit information, payments and track compliance. The accounting firm will be handling all of the records to assist in maintaining the confidentiality of the reports. The Commission will have all the financial transactions audited at the end of each fiscal year. The Commission will be meeting regularly to review general collection information and performance reports from the Door County Visitor Bureau. The Commission will be reporting on its activities annually to its member municipalities and lodging establishments on the activities undertaken, funds expended and the status of its goals. The Commission understands that this has started with short notice and will be providing additional guidance through mailings or on-line.

15. Q. Whom do I contact if I have a question or complaint?

A. You can contact the Commission at P.O.B. 55, Sister Bay, WI 54234, phone number 920-854-6200 or by email at DCTourismZoneCommission@gmail.com.

16. Q. Where can I find out more information?

A. Temporarily the Commission is using the Sister Bay web site at <http://intranet.sisterbay.com> to notice meetings, provide forms for downloading and other related reference materials. Look in the left hand column for Tourism Zone Commission under Documents and Lists.

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