

MINUTES FROM THE 06-27-2016 – ROOM TAX COMMISSION MEETING

The meeting of the Room Tax Commission was held on Monday – June 27th, 2016 at Pulaski Village Hall. Village President – Reed Woodward called the meeting to order at 4:02 PM.

As per Reed Woodward, this is the first – initial meeting of the Room Tax Commission. And, he gave an introduction of – Ordinance #544-16 – An Ordinance Amending Chapter #5 and Section #37.10 of the Municipal Code of Ordinances Establishing a Room Tax Commission for the Village of Pulaski Under the Provisions of Section #6.0615, Wis. Stats. Creation of the Room Tax Commission. The following members were appointed at the 05-10-2016 Regular Village Board Meeting: Al Morin, Mary Wichmann (McDermid), Bruce Brzeczowski, Kenneth Wichlacz, and Jim Resick. Initially, this Room Tax Commission will have about 3-4 meetings this year, then probably after the first year about 2-meetings per year.

Room Tax Revenue Motel/Hotel at 8% is being collected monthly from the Cobblestone Hotel. From the start – October 2015 thru May 2016, we have received a total amount of \$13,374.43. This amount is broken down as:

- Village of Pulaski – (30%) - \$4,012.32
- Room Tax Commission – (70%) - \$9,362.11

(As per hand-out from the Village Treasurer – Jodi Przybylski).

The Room Tax Commission would then need to contract with a “tourism entity” to spend the 70% of revenue collected from the room tax for “tourism promotion and tourism development.” The Village would need to find an entity that meets the requirements of the new definition of a “tourism entity.” The expenditure of room tax revenues for tourism promotion and tourism development cannot occur until the “tourism entity” contract is in place. (As per hand-out from Attorney Vande Castle – dated 12-15-2015).

The Village of Pulaski – (30% portion) – would be in the general fund – and discretion of Village Board on how these monies are spent.

MOTION BY BRUCE BRZECZKOWSKI AND SECONDED BY AL MORIN to appoint Mary Wichmann as the chairperson for the Room Tax Commission Meetings. And, Mary Wichmann accepted the nomination and appointment. **MOTION CARRIED.**

Upon roll call the following members were present: Mary Wichmann – CH, Bruce Brzeczowski, Al Morin, and Jim Resick. Absent with excuse was Kenneth Wichlacz. Also present: Reed Woodward - Village President, and Karen Ostrowski – Village Clerk.

MOTION BY JIM RESICK AND SECONDED BY BRUCE BRZECZKOWSKI to approve the agenda as presented. **MOTION CARRIED.**

The Room Tax Commission would make recommendations to the Village Board on the expenditures to be coming out of the 70% of the Room Tax Monies.

Discussion was held on the e-mail dated 12-15-2016 from Brad Toll, President/CEO – Greater Green Bay Convention and Visitors Bureau that was addressed to Reed Woodward – Village President.

Al Morin will contact Brad Toll for a possible meeting in Green Bay to receive more information, and then the Room Tax Commission can review the information and decide if a good partnership or not. And, discussion ONLY of maybe spending (2%) of the (70%) on this.

Such other matters: None.

The next meeting will be scheduled when Al Morin receives information from Brad Toll, President/CEO – Greater Green Bay Convention and Visitors Bureau.

MOTION BY BRUCE BRZECZKOWSKI AND SECONDED BY JIM RESICK to adjourn the meeting at 4:50 PM.
MOTION CARRIED.

A handwritten signature in cursive script that reads "Karen Ostrowski". The signature is written in black ink and includes a small circle at the end of the last name.

Minutes by: Karen Ostrowski
Village Clerk

Reed Woodward

From: Vande Castle, S.C. <wvcpul@netnet.net>
Sent: Tuesday, December 15, 2015 4:05 PM
To: Reed Woodward
Cc: Karen Ostrowski; Jodi Przybylski
Subject: Room Tax Commission

December 14, 2015

Mr. Reed Woodward
Village President
VILLAGE OF PULASKI
585 East Glenbrook Drive
Pulaski, WI 54162

VIA EMAIL TRANSMISSION

Re: Village of Pulaski Room Tax
Room Tax Commission

Dear President Woodward:

I have received and reviewed the December 7, 2015 email from Mr. Morin regarding a room tax commission for the Village in connection with the Village's room tax ordinance and room tax regulations under Sec. 37.10 of the Village Code of Ordinances along with the attached email from Brad Toll of the Greater Green Bay Convention and Visitor Bureau. These emails raise a number of questions and proposals.

Firstly, Mr. Morin inquires as to whether the Village has a "Room Tax Commission". The answer, as you know, is "no".

As you know from our earlier discussions, municipalities are authorized to establish and administer a room tax under the provisions of Section 66.0615, Stats. Under these provisions municipalities that establish a room tax are allow a certain degree of latitude in regard to the administration and operation of a room tax. In that regard, Sec. 66.0615(1m)(b)(1), Stats., provides the following:

"If a single municipality imposes a room tax under par. (a), the municipality may create a commission..."

Consequently, it was not necessary for the Village, as a single municipality, to establish a room tax commission to administer the room tax. This was the state of the law in 2013 when the Village established a room tax and remains the same today.

However, the provisions of Sec 66.0615, Stats were changed earlier this year by 2015 Act 15 ("Act 15") With respect to the room tax commission issue there has been a change.

In the absence of a commission, the expenditure of room tax revenues were left in and to the discretion of the municipality. As noted in the email from Mr. Morin, 70% of the room tax revenue received must be spent for

“...*tourism promotion and tourism development*”. “*Tourism promotion and tourism development*” is defined in the Sec. 66.0615(1)(fm), Stats. It is defined to mean:

“...*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 motor coach groups.*
2. *Transient tourist informational services.*
3. *Tangible municipal development, including a convention center.”*

As can be seen from the above definition, “*tourism promotion and tourism development*” is quite broadly defined. It is also quite broadly interpreted.

The expenditure of the remaining 30% for the room tax revenues was left to the discretion of the municipality. In essence, that 30% passed to the municipality’s general fund or other fund designated by the municipality.

The change brought about Act 15 changed who has the authority to spend the 70% of the revenues dedicated to the “*tourism promotion and tourism development*.”

Under Section 1990eg of Act 15 the provisions of Sec. 66.0615(1m)(d)2, Stats., were changed to provide the following:

“66.0615 (1m) (d) 2. If 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% 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 spent directly by the municipality on tourism promotion and development ~~or shall be forwarded to the commission for its municipality or zone if the municipality has created a commission, or forwarded to a tourism entity.~~”

As the “strike out” above indicates, the legislature has taken away the authority of the municipality to determine how to spend the 70% portion of the room tax revenues dedicated to “*tourism promotion and tourism development*”. Consequently, the Village must now either establish a Room Tax Commission or contract with a “*tourism entity*” to administer the expenditure of the 70% portion of the room tax revenues.

If the municipality establishes a room tax commission to administer the room tax, that commission must then contract with the “*tourism entity*” for the expenditure of 70% of the room tax revenues. In the alternative, as noted above under the provisions of Act 55, if the municipality does not establish a room tax commission, the municipality must now contract directly with a “*tourism entity*” for the expenditure of 70% of the room tax revenues.

This issue has been further complicated by the Act. Act 55 has also modified the definition of a "tourism entity". Act 55 made the following changes to Sec 66.0615(1)(f), Stats, the definition of a "tourism entity":

"66.0615 (1) (f) "Tourism entity" means a nonprofit organization that came into existence before January 1, 1992, and provides staff, development or promotional 2016, 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 in a municipality on January 1, 2016, a municipality may contract with such an organization if one is created in the municipality."

CONCLUSION

The implication of the language of Act 15 is that the Village could establish a room tax commission to "... coordinate tourism promotion and tourism development". If established, that Commission would then need to contract with a "tourism entity" to spend 70% of revenue collected from the room tax for "tourism promotion and tourism development". In the alternative, instead of establishing a room tax commission, the Village could enter into a contract directly with a "tourism entity", as that term is now defined, to spend the 70% of revenue collected from the room tax for "tourism promotion and tourism development".

In either event, the Village would need to find an entity that meets the requirements of the new definition of a "tourism entity". The expenditure of room tax revenues for tourism promotion and tourism development cannot occur until the "tourism entity" contract is in place.

If there are any questions regarding any of the foregoing, please let me know.

William J. Vande Castle

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ROOM TAX MOTEL/HOTEL AT 8%

100-00-41210-000-000

	<u>Received</u>	<u>30% Village</u>	<u>70% Commission</u>
Oct 2015	730.81	219.24	511.57
Nov 2015	1,715.76	514.73	1,201.03
Dec 2015	2,544.81	763.44	1,781.37
Jan 2016	1,936.30	580.89	1,355.41
Feb 2016	1,210.99	363.30	847.69
Mar 2016	1,791.58	537.47	1,254.11
Apr 2016	1,088.08	326.42	761.66
May 2016	2,356.10	706.83	1,649.27
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	13,374.43	4,012.32	9,362.11