

TOWN OF UNION
SHORT TERM RENTAL TAX ORDINANCE

ORDINANCE NO. 2024-1
Adopted: FEBRUARY 21, 2024

AN ORDINANCE FOR COLLECTION OF TAX ON SHORT TERM OVERNIGHT LODGING

"Municipality" means the Town of Union, Wisconsin.

WHEREAS, SS 66.0615 Wis. Stats. provides that a municipality may adopt a resolution imposing a tax on the privilege of furnishing at retail, rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public: and,

WHEREAS, if a tax is imposed under this statute, the municipality must spend at least 70% of the room tax collected on the promotion and development of tourism, as defined in SS 66.0615 (e) Wis. Stats., and 25% be devoted to the municipality general funds, 5% for administration of tax collection: and,

WHEREAS, the Municipality has researched the issue of implementing a room tax and has determined that the collection of such a tax would benefit the Municipality in its efforts to attract overnight travelers engaged in business, educational or recreational activities.

NOW THEREFORE be it resolved, the Municipality hereby enacts the following ordinance to be located at **Section: Ordinances - 2024-1**, and which shall, by its enactment, rescind any and all previous ordinances that provide for room taxation:

Sec. 2024-1-001.1 Definitions; word usage.

For the purpose of administering and enforcing this ordinance, the terms or words used herein shall be interpreted as follows:

- Words used in the present tense include the future.
- Words in the singular number include the plural number.
- Words in the plural number include the singular number.

The following definitions and conditions apply unless specifically modified:

MUNICIPALITY - means the Town of Union, Wisconsin.

DWELLING UNIT - One or more rooms with provisions for living, cooking, sanitary, and sleeping facilities and a bathroom arranged for exclusive use by one person, one family or two or more persons maintaining a common household, to the exclusion of all others. Dwelling units include residential, tourist rooming house, seasonal employee housing, and dormitory units. The term "dwelling unit" is used to refer to any part or portion of a short-term rental property that is being rented out separately from any other part of the same short-term rental property.

GROSS RECEIPTS - means total revenue received from the retail furnishings of rooms, lodging, or similar accommodations by a Short-Term Rental.

PERSON - Includes a corporation, firm, partnership, association, organization, and any other group acting in conjunction, as well as individuals, including a personal representative, receiver, or other representative appointed according to law. Whenever the word "person" is used in any section of this article prescribing a penalty or fine, as to partnerships or associations, the word shall include the partners or members thereof and, as to corporations, shall include the officers, agents, or members thereof who are responsible for any violation of such section.

PROPERTY MANAGER - A person who is not the property owner and who provides property management services and who is authorized to act as the agent of the property owner for the purpose of responding to problems at the property.

RENTER - Any person or people renting a short-term rental.

SHORT-TERM RENTAL – means a residential dwelling, that is offered for rent for a fee and for fewer than 30 consecutive days SS 66.0615 (1) (dk) Wis Stats.; or Hotel or Motel as defined in SS 66.0615 (1) (b) (c) Wis. Stats.

PAYOR - means the person or entity that operates a Short -Term Rental, as defined above, and owes the tax imposed by this ordinance.

ROOM TAX - means the tax imposed by this ordinance.

TOURISM - means any travel for recreational, business or educational purposes, as set forth in SS 66.0615 (1) (e) Wis. Stats.

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 as set forth in SS 66.0615 (1) (f) Wis. Stats.

COMMISSION - means an entity created by one or more municipalities in a zone to coordinate tourism promotion and development for the zone, as set forth in SS 66.0615 (1) (a) Wis. Stats.

TRANSIENT - means any person residing for a continuous period of less than 30 consecutive days in a hotel, motel or other furnished accommodations available to the public.

ZONE - shall have the meaning set forth in SS 66.0615(1) (h) Wis. Stats., and shall cover the area of all municipalities in Burnett County, Wisconsin that elect to be so included. For the purpose of this ordinance the Town of Union elects to be included in this zone and hereby agrees that the entirety of this zone is perceived to be a single destination by the traveling public.

The members of the zone and specifically the Town of Union elect hereby to create a Commission, as defined in section SS 66.0615(1)(a) Wis. Stats., to coordinate tourism promotion and development for the zone. Membership of the Commission shall include at least 2 members drawn from representatives of the Wisconsin lodging and tourism industry and shall also be established in accord with the SS 66.0615(1m) (c) 2. Wis. Stats.

Sec. 2024-1-002.1 Imposition of Tax.

Pursuant to SS 66.0615 Wis. Stats., a tax is hereby imposed on the privilege and services of furnishings 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%** of the gross receipts from such retail furnishings of rooms or lodging. [Such tax shall not be subject to the selective sales tax imposed by 77.52(2)(a) 1 Wis. Stats., and may not be imposed upon sales to the federal government and persons listed under SS 77.54(9a) Wis Stats.]

Sec. 2024-1-102.2 Distribution of Room Taxes Collected.

Of the room taxes that are collected, 70% shall be paid to the Tourism Entity, 25% shall be retained in the municipality's general fund, and 5% for administration of tax collection

Sec. 2024-1-103.1 Duties of the Commission.

The Commission shall:

1. Contract with one tourism entity in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.
2. Monitor the collection of room taxes from each municipality that has a room tax.
3. Report annually to each municipality from which it receives room tax revenues the purpose for which the revenues were spent.

Sec. 2024-1-104.1 Collection of Tax.

The municipality treasurer or its designee shall administer the collection of the tax imposed by this article. The tax imposed is due and payable on the last day of the month next succeeding the calendar quarters for which imposed. A return shall be filed with the municipality treasurer or its designee, by those furnishing at retail such rooms and lodging, on or before the same date on which the tax is due and payable. Such return shall show the gross receipts of the preceding calendar quarters from such retail furnishings of rooms or lodging, the amount of taxes imposed for such period, and other information as the municipality treasurer or its designee deems necessary. Every person required to file such a quarterly return shall, with their first returns, file an annual calendar or fiscal year return. Such annual returns shall be made on forms as prescribed by the municipality treasurer or its designee. All such return shall be filed within 90 days of the close of each such calendar or fiscal year. The annual return shall summarize the quarterly returns, reconcile and adjust for errors in the quarterly returns, and shall contain such additional information as the municipality treasurer or its designee requires. Such annual returns shall be signed by the person required to file a return or his/her duly authorized agent but need not be verified by oath. The municipality treasurer or its designee, for good cause, may extend the time for filing any return, but in no event longer than one month from the filing date. The correct amount of tax shall accompany each quarterly tax return and be made payable to the municipality or its designee. Any unpaid tax imposed by this article may, in addition to other penalties available herein, be deemed to be an assessment on any land owned by the payor inside the legal boundaries of the municipality.

Sec. 2024-1-104.2 Responsibility for Unpaid Tax.

If any person liable for any amount of tax under this ordinance sells out his business or stock of goods or quits the business, his successors or assigns shall be responsible for any unpaid tax due under this ordinance.

Sec. 2024-1-104.3 Determination of Tax by Audit.

- (a) The municipality treasurer or its designee, by office and/or field audit, determine the tax required to be paid to the municipality or the refund due to any person under this chapter. This determination may be made upon the basis of the facts contained in the return being audited or on the basis of any other information within the municipality treasurer or its designee's possession. One or more such office and/or field audit determinations may be made of the amount due for anyone or for more than one period.
- (b) Whenever the municipality treasurer or its designee has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, the municipality treasurer or its designee is authorized to examine and inspect the books, records, memoranda and property of any person or of another person. Nothing herein shall prevent the municipality treasurer or its designee from making a determination of tax at any time.

Sec. 2024-1-104.4 Estimate of Tax on Failure to File Return.

If any person fails to file a return as required by this ordinance, the municipality treasurer or its designee shall make an estimate of the amount of the "gross receipts". Such estimate shall be made for the period for which such person failed to make a return. On basis of this estimate, the municipality treasurer or its designee shall compute and determine the amount required to be paid to the municipality, adding to the sum thus arrived at a penalty equal to 12% thereof.

Sec. 2024-1-104.5 Interest on Unpaid Taxes.

All unpaid taxes under this article shall bear interest at the rate of 12% per annum from the due date of the return until paid.

Sec. 2024-1-104.6 Late Fee; penalties.

Delinquent tax returns shall be subject to a late filing fee as set by the municipality. In addition, if due to negligence no return is filed, or a return is filed late, the entire tax finally

determined shall be subject to a penalty of 25% of the tax, exclusive of any interest or other penalties. If a person fails to file a return when due or files a false or fraudulent return with the intent in either case to defeat or evade the tax imposed by this ordinance, a penalty of 25% shall be added to the tax required to be paid, exclusive of interest and other penalties.

Sec. 2024-1-104.7 Records.

Every person liable for the tax imposed by this article shall keep or cause to be kept such records, receipts, invoices and other pertinent papers in such form as the municipality treasurer or its designee requires.

Sec. 2024-1-105.1 Confidentiality of Documents.

All tax returns, schedules, exhibits, writings or audit reports relating to such returns on file with the municipality treasurer or its designee are deemed to be confidential, except that the municipality treasurer or its designee may divulge their contents to the following and no others:

- A. The person who filed the return.
- B. Officers or agents of the Municipality as may be necessary to enforce collection.

Sec. 2024-1-106.1 Penalties.

Any person who is subject to the tax imposed by this ordinance who fails or refuses to permit the inspection of records by the municipality treasurer or its designee after such inspection has been duly requested by the municipality, or who fails to file a return as provided in this article, or who violates any other provisions of this ordinance, shall be subject to a forfeiture not to exceed \$250.00 for each day, or portion thereof, that such violation continues. Each day is hereby deemed to constitute a separate offense. The total forfeiture imposed shall not exceed 5% (five percent) of the tax imposed by this chapter upon said person.

Sec. 2024-1-107.1 Exemptions.

For the tax year 2023, any person or business otherwise required to file a return and make payment to the municipality under this article will be allowed an exemption from the requirement to collect and pay room tax for any signed contract dated prior to adoption of this article in which the contract guarantees the lodging rates. This exemption will expire on January 1, 2024.

The effective date of this agreement shall be the date upon which the first two municipalities so enter. Therefore, it is anticipated that additional municipalities may join this agreement after the first two municipalities' staff, with acceptance guaranteed if started within 180 days of initial municipalities start date. After the 180-day period, municipalities may join by majority agreement of the commission.

Effective date of this ordinance shall be: February 21, 2024.

The Original Ordinance and Amendment are on file at the Town of Union.

Motion by: Eugene Sukorski

Seconded by: Kim Johnson

Ayes: 20 Nays: 0

Absent: 1 Abstained: —