

Resolution Opposing Changes to the Room Tax Law Inserted into the State Budget

Whereas, on May 27 the state Legislature's Joint Committee on Finance inserted into the state budget bill room tax law changes sought by the Wisconsin Hotel and Lodging Association that interfere with local control over a municipally authorized and imposed tax; and

Whereas, the budget amendment eliminates municipal governing body discretion to spend room tax revenues directly on tourism promotion and development; mandating instead that municipalities transfer the revenues designated for tourism promotion and development to an unelected tourism entity or commission for spending; and

Whereas, between 1967, when municipal room taxes were first allowed, and 1994 there were no restrictions on how communities could use room tax revenues: and

Whereas, in 1994 state law was changed to require that any communities enacting a room tax in the future must devote 70% of the revenue to tourism promotion and development: and

Whereas, the state budget amendment modifies the 1994 grandfather clause by requiring municipalities that retain more than 30 percent of the room tax revenue for purposes other than tourism promotion and development pursuant to ordinances adopted prior to 1994 to reduce and cap the amount retained by 2020 to the same dollar amount the community retained in 2009; and

Whereas, the budget amendment will create a significant hole in some community's budgets, which they will not be able to fill due to strict levy limits, and

Whereas, given the severe financial stress municipalities are under, it doesn't make sense to reduce a source of revenue that some municipalities use to pay convention center debt, to pay for police and fire services provided to hotels, or to pay for other municipal services necessary for the community, and therefore, tourism to thrive.

NOW THEREFORE BE IT RESOLVED that the City of Waukesha opposes any changes to the room tax law being included in the state budget and urges the state Legislature to remove the changes prior to final enactment of the budget and directs the Clerk to send a copy of this resolution to the Honorable State Legislators that represent us in the State Legislature and to Governor Scott Walker.

Be It Further Resolved that if Legislature passes the state budget with the room tax law changes intact, then the City of urges Governor Walker to veto the room tax law changes.

Adopted this ____ day of June 2015

Signed,

Shawn N. Reilly, Mayor

Attest:

Gina Kozlik

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For contact information for your Legislative Delegation <http://legis.wisconsin.gov/>

Governor's address: Office of Governor Scott Walker, 115 East Capitol, Madison, WI 53702

Questions – contact Gail Sumi, League Member Engagement and Comm Director at gsumi@lwm-info.org or 608-267-4477