**ISHAE 2015 AWARDS ENTRY**

**WISCONSIN HOTEL & LODGING ASSOCIATION**

**GOVERNMENT AFFAIRS**

**OVER $500,000 CATEGORY**

“STATEWIDE ROOM TAX REFORM ACCOMPLISHMENT”

1. **Goals & Objectives of Program**

To accomplish significant reform of our state Room Tax laws to help to grow local tourism, enabling the increase of occupancy at lodging properties around the state.

1. **Target Audience**

* Joint Finance Committee
* Governor
* State Senate and Assembly Leadership
* State Legislators

1. **Results of Program**

* Joint Finance Committee included our reform package in the state budget proposal
* The state Senate and Assembly made a few changes, then passed it in the budget package
* The Governor used his veto to adjust back some of the damaging changes made by the Senate
* A significant reform package was passed into law in July, 2015

1. **Evaluation Measures**

* Finding a solution to the deliberate mis-use of room tax funding: a requirement was adopted that each municipality must file an annual report with the state noting how much room tax revenue they kept and how much went to tourism promotion and tourism development, who is on the governance board of the entity deciding how to spend the tourism portion, every expenditure they make exceeding $1,000, and documenting proof if they claim to be entitled to a specific exception in the law
* Stopping the municipalities from using the revenue for “economic” development instead of “tourism development”**:** a statutory clarification was included to specify the revenue may be used for “tourism development” where before it stated development.
* Stopping municipalities from using the portion of room tax revenue required to go to tourism from using it for other uses: The portion required for tourism promotion and development by law must now be forwarded to a tourism commission or tourism entity to spend on tourism instead of allowing municipalities to spend it direct. Definitions of both were clarified to close loopholes.
* Stopping an over 20 year exception for some municipalities allowed to keep a majority of room tax revenue for their own purposes: In a compromise with leadership, instead of discontinuing the exceptions which would have a dramatic financial impact on some local governments, a dollar cap is imposed with a five year annual reduction that will end up freezing into perpetuity the dollars retained from room tax revenue to their 2010 total dollars. This in essence means that municipalities that kept most of the room tax revenue will not get the benefit of the growth of the lodging industry ( in new properties, increased occupancy, and in rate increases) from 2010 on – a huge long-term gain for tourism in over 60 municipalities in our state.

1. **How was the program presented to the Target audience?**

* Our focus was getting key leadership and the Governor’s office at the table to understand the severity of the problem and agreeing to a reform package in advance, with assistance from a key influential second lobbyist we retained.
* We stayed in communication with key leadership, keeping a very low profile, with the Speaker of the Assembly taking the lead with the Senate Majority Leader and Governor’s office using their influence at each level.
* We developed a trust with them that our technical knowledge of the law could be relied upon and we were not going to violate this trust as the process moved, sometimes with extremely short turn-arounds.
* Our opponents (League of Wisconsin Municipalities) were taken by surprise and pursued negative media with numerous incorrect accusations. While the CEO rebutted in print, radio interviews, and online commentaries, our focus was on legislators versus the general public. However we had to avoid legislators getting reluctant due to public pressure so we repeatedly challenged their facts to help diffuse their credibility. A copy of an article printed in the editorial page of the Milwaukee Journal Sentinel is attached, which received wide re-distribution to assist in the diffusing (please scroll down to the second page of the attachment to view).

1. **Addition information**

* Upon passage of this legislation, WH&LA has further strengthened our reputation as the top resource for technical expertise on room tax law and has begun the process of education not only of our members, but also the CVB’s and Chambers of Commerce as well as local tourism commissions. Our website is the number one resource on Wisconsin Room Tax, we have created a *Wisconsin Room Tax Series* (sample attached) of resources, and our state Department of Tourism refers all room tax questions to our office. This is good exposure to our members as they look at the value we exhibit each year. Our lodging retention rate is over 91% to date, and more keep coming back in.