

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Consideration of Ordinance No. 2026-TBD Amending Chapter 309 (Room Tax) of the City of Richland Center Code of Ordinances

Meeting Date(s): General Government Committee on 10/27/2026 and Common Council on 11/3/2026

Requested & Presented by: Ashley Oliphant, City Administrator

Background:

The City imposes a room tax on hotel, motel, and other short-term lodging stays under Wis. Stat. § 66.0615. Chapter 309 was created in 2006 at 2.5%. The rate was raised to 5% in 2013 and to 7% in 2022. Most of the chapter has not been updated since 2013 and no longer matches current state law.

The proposed amendment raises the rate to 8%, the maximum allowed by state law, and updates the chapter to match the statute. The changes would take effect on January 1, 2027.

What the amendment does:

Rate (309.01): Raises the room tax from 7% to 8%. The tax is applied to the “sales price” to match current statutory wording.

Use of proceeds (309.02): States that at least 70% goes to tourism promotion and development through the tourism entity designated by the Council, with the balance to the general fund. This is required by Wis. Stat. § 66.0615(1m)(d) and matches the City's current practice. The current text says all proceeds go to the general fund.

Short-term rentals and online platforms (309.07, 309.21): Clarifies that short-term rental owners also need the existing room tax permit before renting, even if they rent only through a platform such as Airbnb. Platforms collect and forward the tax as required by Wis. Stat. § 66.0615(1r).

Appeals (309.09): Disputes currently go to the Board of Review, which only hears property assessment matters. Under the amendment, appeals follow Chapter 68 of the Wisconsin Statutes: review by the City Administrator, then appeal to the General Government Committee.

Penalties (309.22): Adds a forfeiture of \$100 to \$500 for operating without a permit, failing to file returns, or other violations. The 2013 rewrite removed the only penalty for these violations.

Clean-up: Adds the annual report to the Department of Revenue, corrects duplicate section numbers and headings, adds a four-year limit on audit determinations, and moves all definitions to one section.

Financial Impact: Raising the rate from 7% to 8% increases room tax collections by about 14%, assuming lodging activity stays the same. At least 70% of collections go to tourism promotion and development, and the balance goes to the general fund.

Funding Source: N/A. Revenue item.

Recommended Action:

GENERAL GOVERNMENT: Motion to recommend that the Common Council adopt Ordinance No. 2026-TBD amending Chapter 309 (Room Tax), effective January 1, 2027.

COUNCIL: Motion to adopt Ordinance No. 2026-TBD amending Chapter 309 (Room Tax), effective January 1, 2027.

Attachment(s): Chapter 309 Room Tax: Current Text and Proposed Amendments (October 22, 2026)