



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-2882/1
MCP&MDE:emw&cdc

2025 BILL

- 1 **AN ACT** *to create* 66.1114 of the statutes; **relating to:** tourism promotion
2 improvement districts.

Analysis by the Legislative Reference Bureau

This bill authorizes any city, village, town, or county (political subdivision) to create a tourism promotion improvement district (district). A district is an area that includes at least two hotels or motels. The bill allows a political subdivision to levy assessments on hotels and motels within a district to pay for the cost of improvements and activities within the district. Under the bill, “improvements” means acquiring, constructing, installing, or maintaining tangible property or infrastructure that is designed to increase room nights sold within the district; “activities” includes promoting public events that generate increased paid overnight stays in a hotel or motel, promoting tourism within the district, marketing- and tourism-related economic development, and other services that benefit hotels and motels within the district.

Under the bill, a political subdivision may create a district if the owners of at least 50 percent of the hotel and motel rooms located in the proposed district petition the political subdivision to do so and have developed an operating plan for the proposed district; the political subdivision holds a public hearing on the proposal; the political subdivision approves the creation of the district and an operating plan for the district; and the owners of at least 50 percent of the hotel and motel rooms located in the proposed district do not object to the creation of the district as approved by the political subdivision.

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The bill specifies the information that must be included in a proposed operating plan for a district, such as a map identifying the boundaries of the district; the improvements and activities that will be completed within the district and their cost; the source of financing for those improvements and activities, including whether bonds will be issued; and the method and basis for levying assessments on hotels and motels within the district. The bill provides that a city, town, or village may establish a district within the unincorporated territory of a county if the county consents; that a city, town, or village may form a district within the jurisdiction of another city, town, or village if the other city, town, or village consents; and that a county may form a district within the jurisdiction of another county if the other county consents. The bill also provides that a county may establish a district within a city, town, or village located in the county without the consent of the city, town, or village, unless the operating plan outlines improvements specific to infrastructure, in which case the county must obtain the consent of the city, town, or village.

After a district is created, the bill requires the political subdivision to contract with an owners' association to complete the improvements and activities described in the operating plan. The bill requires an owners' association to be a private, nonprofit entity that is tasked with promoting tourism. The bill provides that an owners' association may use assessments received from a district only to fund improvements and activities included in an approved operating plan.

The bill allows a political subdivision to levy assessments on hotels and motels within a district for the purpose of providing supplemental funding for the improvements and activities described in the operating plan. Under the bill, the political subdivision must determine the amount or rate of assessment to be levied on each hotel and motel within the district based on the method and basis for levying assessments described in the operating plan for the district. The bill prohibits a political subdivision from reducing any existing tourism promotion funding based on assessments received from a district.

Under the bill, the Department of Revenue must collect the assessments levied on hotels and motels in a district. A hotel or motel within the district must pay the assessment and file a return with DOR in the same way that the hotel or motel submits returns for retail sales taxes. DOR must then distribute a proportional amount of the collected assessments, at least quarterly, to owners' associations responsible for administering the operating plans of districts.

The bill allows an operating plan for a district to be modified if the responsible owners' association requests a modification. The political subdivision must hold a hearing on the proposed modification and notify all hotel and motel owners in the district. The modification may not be adopted if the owners of at least 50 percent of the hotel and motel rooms located in the district object to the modification.

The bill also allows for the dissolution of a district if there is a misappropriation of funds, malfeasance, or a violation of law in connection with the district's management and requires the dissolution of a district without undue delay if, during the first 30 days of any year of the district's operation, the owners of at least 65 percent of the hotel and motel rooms located in the district request in

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writing that the district be dissolved. The political subdivision must hold a hearing on the proposed dissolution and notify all hotel and motel owners in the district.

Under the bill, upon the expiration or dissolution of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, from the sale of assets acquired with the revenues, or from bond reserve or construction funds must be spent consistent with the operating plan and with any resolution of dissolution.

Finally, the bill provides that a person may not contest the validity or amount of an assessment levied under the provisions of the bill unless an action is commenced within 30 days after a resolution adopting or modifying the assessment is enacted.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.1114 of the statutes is created to read:

2 **66.1114 Tourism promotion improvement districts.** (1) In this section:

3 (a) “Activities” includes the promotion of public events that generate
4 increased paid overnight stays in a business, the promotion of tourism within a
5 tourism promotion improvement district, marketing- and tourism-related economic
6 development, and other services provided for the purpose of conferring specific
7 benefits upon businesses located in a tourism promotion improvement district.

8 (b) “Business” means a hotel or motel, as defined in s. 77.52 (2) (a) 1.

9 (c) “Governing body” means a committee of persons identified by an owners’
10 association that consists solely of representatives of businesses within a tourism
11 promotion improvement district and that is responsible for managing assessments
12 collected from a tourism promotion improvement district under this section.

13 (d) “Hosting platform” means a marketplace provider, as defined in s. 77.51
14 (7i).

15 (e) “Improvements” means the acquisition, construction, installation, or

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1 maintenance of any tangible property or infrastructure with an estimated useful
2 life of 5 or more years that is designed to increase room nights sold by or to
3 otherwise benefit businesses within a tourism promotion improvement district.

4 (f) "Local legislative body" means a common council, village board of trustees,
5 town board of supervisors, or county board of supervisors.

6 (g) "Owner" means the owner or authorized agent of a business.

7 (h) "Owners' association" means a private, nonprofit entity that is tasked with
8 promoting tourism and that is responsible for completing the improvements and
9 activities specified in the operating plan for a tourism promotion improvement
10 district under sub. (2).

11 (i) "Political subdivision" means a city, village, town, or county.

12 (j) "Tourism promotion improvement district" or "district" means an area that
13 is fully or partially within a political subdivision and that includes two or more
14 businesses.

15 (2) A political subdivision may create a tourism promotion improvement
16 district and adopt its operating plan if all of the following conditions are met:

17 (a) The owners of at least 50 percent of the total number of hotel and motel
18 rooms located in the proposed tourism promotion improvement district have
19 petitioned the political subdivision to create a tourism promotion improvement
20 district and developed a proposed initial operating plan for the district. The
21 petition shall include a summary of the proposed initial operating plan that
22 includes a map showing the boundaries of the proposed district and information on
23 how to obtain a complete version of the proposed initial operating plan upon

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1 request. The complete version of the proposed initial operating plan shall include
2 all of the following:

3 1. A map of the district in sufficient detail to locate each business within the
4 district and a description of the boundaries of the district, including the boundaries
5 of any benefit zones established under subd. 6., which may be made by reference to
6 any plan or map that is on file with the political subdivision's clerk.

7 2. The name of the district and the name of the owners' association for the
8 district.

9 3. The improvements and activities that will be undertaken within the
10 district for each year of its operation and the estimated cost of those improvements
11 and activities.

12 4. The estimated amount that will be expended for improvements and
13 activities, and any debt service, within the district for each year of its operation.

14 5. The sources of financing to pay for any improvements and activities, and
15 any debt service, within the district, including whether bonds will be issued.

16 6. The method and basis for levying assessments on businesses within the
17 district, including any increases in assessment amounts, stated in sufficient detail
18 to allow each owner to estimate the amount of the assessments that will be levied
19 against the owner's business. The operating plan may establish one or more classes
20 of businesses within the district that will benefit from the improvements and
21 activities described in the operating plan. The operating plan may also establish
22 one or more benefit zones within the district if the businesses within the benefit
23 zones will benefit in a similar manner from the improvements and activities
24 described in the operating plan.

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1 7. A statement as to whether a hosting platform will collect any assessments,
2 and the amount of any fee that the hosting platform will charge for collecting
3 assessments, which may not exceed 5 percent of the amount of the assessment paid.

4 8. A statement as to whether businesses are authorized to retain a portion of
5 an assessment to cover administrative costs related to processing the assessment.
6 The amount retained may not exceed 5 percent of the total assessment collected.

7 9. The number of years for which assessments will be levied, which may not
8 exceed 5 years for a new tourism promotion improvement district or 10 years for a
9 renewed district, except that if a district is created for the purpose of financing
10 capital improvements with bonds, assessments shall be levied for the maximum
11 lifetime of those bonds.

12 10. The governing body for the district.

13 11. Any other requirements that will apply to businesses within the tourism
14 promotion improvement district.

15 (b) At least 30 days before creation of the tourism promotion improvement
16 district and adoption of its operating plan by the political subdivision, the local
17 legislative body has held a public hearing on the proposed tourism promotion
18 improvement district and its proposed initial operating plan. Notice of the hearing
19 shall be published as a class 2 notice under ch. 985 and shall include information on
20 how to obtain a complete version of the proposed initial operating plan upon
21 request. Before publication, a copy of the notice, together with a summary of the
22 proposed initial operating plan, shall be sent by mail to all owners within the
23 proposed tourism promotion improvement district.

24 (c) The local legislative body has voted to create the tourism promotion

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1 improvement district and to adopt, or to modify and adopt, the proposed operating
2 plan. If the local legislative body modifies the proposed tourism promotion
3 improvement district or its proposed operating plan, the local legislative body may
4 only reduce proposed assessments, modify the boundaries of the proposed tourism
5 promotion improvement district, or modify the improvements or activities in the
6 proposed operating plan. If the local legislative body votes to create a tourism
7 promotion improvement district, the local legislative body shall adopt a resolution
8 that includes all of the following:

9 1. A brief description of the improvements and activities that will be
10 undertaken in the district, the amount of the assessments that will be levied on
11 businesses within the district, a statement as to whether bonds will be issued, and
12 a description of the exterior boundaries of the district, which may be made by
13 reference to any plan or map that is on file with the clerk of the political
14 subdivision.

15 2. The time and place where the public hearing under par. (b) was held.

16 3. A determination regarding any protests received concerning the creation of
17 the district.

18 4. A statement that the improvements and activities that will be undertaken
19 in the district will be funded by the levy of the assessments on businesses within
20 the district.

21 5. A finding that the businesses within the district will benefit from the
22 improvements and activities funded by the assessments levied on businesses within
23 the district.

24 (d) Within 30 days after the local legislative body has voted to create the

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1 tourism promotion improvement district under par. (c), the owners of at least 50
2 percent of the total number of hotel and motel rooms located in the approved
3 tourism promotion improvement district have not filed a petition with the political
4 subdivision protesting the creation of the tourism promotion improvement district
5 as approved by the political subdivision. If such a petition is filed, the political
6 subdivision may not create a tourism promotion improvement district that includes
7 the businesses identified in the petition for a period of one year after the petition is
8 filed.

9 (3) (a) A city, town, or village may create a tourism promotion improvement
10 district within the unincorporated territory of a county only with the consent of the
11 board of supervisors of that county.

12 (b) A city, town, or village may create a tourism promotion improvement
13 district within the territorial jurisdiction of another city, town, or village only with
14 the consent of the legislative body of the other city, board of supervisors of the other
15 town, or board of trustees of the other village.

16 (c) A county may create a tourism promotion improvement district within the
17 territorial jurisdiction of another county only with the consent of the board of
18 supervisors of that county.

19 (d) A county may form a tourism promotion improvement district within a
20 city, town, or village located within the county without the consent of the common
21 council of the city, the board of supervisors of the town, or the board of trustees of
22 the village. If the operating plan outlines improvements specific to infrastructure,
23 the county shall obtain the consent of the local legislative body of the cities, towns,
24 and villages within the district.

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1 (e) The boundaries of a tourism promotion improvement district may overlap
2 with other established assessment districts, including with another tourism
3 promotion improvement district created under this subsection.

4 (4) (a) Following creation of a tourism promotion improvement district and
5 adoption of an operating plan, the political subdivision shall contract with an
6 owners' association to complete the improvements and activities described in the
7 operating plan.

8 (b) An owners' association contracted by a political subdivision under this
9 subsection shall file a report with the political subdivision's clerk every fiscal year
10 during the life of a tourism promotion improvement district, except for the first
11 fiscal year. The report shall include all of the following information relating to the
12 applicable fiscal year:

13 1. The improvements and activities that were provided in the previous fiscal
14 year.

15 2. An estimate of the cost of providing the improvements and activities for the
16 previous fiscal year.

17 3. The estimated amount of any surplus or deficit from the previous fiscal
18 year, calculated by subtracting the previous fiscal year's expenditures from the
19 previous fiscal year's revenues.

20 4. Any proposed changes to the amount of the assessment or to the
21 improvements or activities authorized in the operating plan.

22 (c) An owners' association may use assessments received from a tourism
23 promotion improvement district only to fund improvements and activities included
24 in an approved operating plan.

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1 (5) A political subdivision may levy assessments on businesses within a
2 tourism promotion improvement district for the purpose of providing supplemental
3 funding for the improvements and activities described in the operating plan. The
4 political subdivision shall determine the amount or rate of the assessment to be
5 levied on each business, class of businesses, or benefit zone within the district
6 based on the estimated benefit to the business, class of businesses, or benefit zone
7 from the improvements and activities described in the operating plan. A political
8 subdivision may not reduce any existing tourism promotion funding based on
9 assessments received from a tourism promotion improvement district.

10 (6) (a) The department of revenue shall collect the assessment levied under
11 sub. (5) and may take any action, conduct any proceeding, and impose interest and
12 penalties necessary for the administration of this subsection.

13 (b) A political subdivision shall notify the department of revenue of the
14 creation of a tourism promotion improvement district no later than 10 business
15 days after the last day of the objection period under sub. (2) (d).

16 (c) No later than 30 days after the last day of the objection period under sub.
17 (2) (d), the political subdivision shall report to the department of revenue, for every
18 business operating within a tourism promotion improvement district, the
19 business's name, address, amount or rate of assessment, effective date of the
20 assessment, and any other information the department requests for purposes of
21 collecting the assessment. For any business added to the tourism promotion
22 improvement district after the district's approval, the political subdivision shall
23 report this information to the department of revenue no later than 30 days after the
24 business's addition to the district.

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1 (d) A business within a tourism promotion improvement district shall pay any
2 assessment under this section to, and file a return with, the department of revenue
3 at the same time and in the same manner provided for filing the return required
4 under s. 77.52. The department of revenue shall, at least quarterly, distribute all
5 moneys received under this subsection to owners' associations in proportion to the
6 amount of assessments paid by businesses covered by the operating plan
7 administered by each owners' association.

8 (7) The owners' association responsible for completing the improvements and
9 activities described in the operating plan may at any time request that the local
10 legislative body modify the operating plan. Within 90 days after receiving such a
11 request, the local legislative body shall hold a public hearing on the proposed
12 modification. Notice of the hearing shall be published as a class 2 notice under ch.
13 985 at least 7 days before the hearing. Before publication, a copy of the notice,
14 together with a summary of the proposed modifications to the operating plan, shall
15 be sent by mail to all owners within the tourism promotion improvement district. If
16 the proposed modification includes the levy of a new or increased assessment, the
17 local legislative body may not adopt the modification if the owners of at least 50
18 percent of the total number of hotel and motel rooms located in the tourism
19 promotion improvement district object to the modification.

20 (8) A tourism promotion improvement district may be renewed using the
21 procedure for creation of a district under sub. (2). Upon renewal, any remaining
22 revenues derived from the levy of assessments, or any revenues derived from the
23 sale of assets acquired with the revenues, shall be transferred to the renewed
24 district. If the renewed district includes businesses that were not included in the

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1 initial district, the remaining revenues shall be spent to benefit only the businesses
2 in the initial district. If the renewed district does not include any businesses that
3 were included in the initial district, the remaining revenues attributable to those
4 businesses shall be spent consistent with the operating plan of the initial district.
5 The boundaries, assessments, improvements, and activities of a renewed district
6 are not required to be the same as in the initial district and operating plan.

7 (9) (a) 1. The local legislative body may dissolve by resolution a tourism
8 promotion improvement district for which there is no outstanding indebtedness if
9 the local legislative body finds there has been misappropriation of funds,
10 malfeasance, or a violation of law in connection with the management of the
11 district.

12 2. The local legislative body shall dissolve by resolution, without undue delay,
13 a tourism promotion improvement district for which there is no outstanding
14 indebtedness if, during the 30-day period beginning one year after creation of the
15 district, or during the first 30 days of any such successive year, the owners of at
16 least 65 percent of the total number of hotel and motel rooms located in the tourism
17 promotion improvement district request in writing that the local legislative body
18 dissolve the district.

19 (b) At least 60 days before dissolving a tourism promotion improvement
20 district, the local legislative body shall hold a public hearing on the proposed
21 dissolution. Notice of the hearing shall be published as a class 2 notice under ch.
22 985 and shall include the purpose for the dissolution and a proposal for disposing of
23 any assets acquired with the revenues of the assessments levied within the district.

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1 Before publication, a copy of the notice shall be sent by mail to all owners within the
2 tourism promotion improvement district.

3 (10) Upon expiration or dissolution of a tourism promotion improvement
4 district, any remaining revenues, after all outstanding debts are paid, derived from
5 the levy of assessments, from the sale of assets acquired with the revenues, or from
6 bond reserve or construction funds shall be spent consistent with the operating
7 plan and with any resolution of dissolution under sub. (9).

8 (11) No person may contest the validity or amount of an assessment levied
9 under this section unless an action is commenced within 30 days after a resolution
10 adopting or modifying the assessment is enacted.

11 (END)