

**TOWN OF MONTROSE, DANE COUNTY, WISCONSIN**  
**ORDINANCE NO.2026-03**

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**AN ORDINANCE IMPOSING A ROOM TAX ON HOTEL, MOTEL, AND SHORT-TERM RENTAL OPERATORS; ESTABLISHING  
A TOURISM COMMISSION; AND PROVIDING FOR ADMINISTRATION, PENALTIES, AND ENFORCEMENT**

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*The Town Board of the Town of Montrose, Dane County, Wisconsin, does hereby ordain as follows:*

**SECTION 1 – AUTHORITY AND PURPOSE**

- 1.1 Authority.** This ordinance is enacted pursuant to the authority granted to Wisconsin municipalities under Wis. Stat. § 66.0615, which authorizes towns to impose a tax on the privilege of furnishing, for compensation, of rooms or lodging to transients by hotelkeepers, motel operators, and other operators of lodging establishments within the municipality.
- 1.2 Purpose.** The purposes of this ordinance are:
- (a) To generate revenue dedicated to tourism promotion and tourism development within the Town of Montrose and the surrounding zone, consistent with the requirements of Wis. Stat. § 66.0615;
  - (b) To provide general municipal revenue for the Town of Montrose in accordance with the allocation provisions of state law; and
  - (c) To establish a fair and uniform system for the collection, remittance, administration, and enforcement of the room tax applicable to all operators furnishing lodging accommodations within the Town.

**SECTION 2 – DEFINITIONS**

As used in this ordinance:

- 2.1 "Commission"** means the Montrose Tourism Commission created under Section 6 of this ordinance.
- 2.2 "Gross receipts"** means the total amount received from furnishing rooms, lodging, or accommodations, not including any state sales tax collected.
- 2.3 "Marketplace provider"** means a third-party platform (such as Airbnb, VRBO, or Booking.com) that facilitates the sale or rental of lodging on behalf of an operator.
- 2.4 "Marketplace seller"** means an operator who offers lodging through a marketplace provider.
- 2.5 "Municipality"** means the Town of Montrose, Dane County, Wisconsin.

- 2.6 **"Operator"** means any person who furnishes, for compensation, a room, lodging, or accommodation subject to this ordinance.
- 2.7 **"Person"** means any individual, business, partnership, corporation, LLC, or other legal entity.
- 2.8 **"Room tax"** or **"tax"** means the tax imposed by this ordinance.
- 2.9 **"Short-term rental"** means a residential dwelling rented for fewer than 30 consecutive days.
- 2.10 **"Tourism entity"** means a nonprofit organization qualifying under Wis. Stat. § 66.0615(1)(f).
- 2.11 **"Tourism promotion and tourism development"** means activities as defined in Wis. Stat. § 66.0615(1)(fm).
- 2.12 **"Transient"** means a person who occupies a room, lodging, or accommodation for fewer than 30 consecutive days.

**SECTION 3 – IMPOSITION OF ROOM TAX**

- 3.1 **Tax Rate.** A room tax of **eight percent (8%)** is imposed on the gross receipts of every operator who furnishes lodging to a transient within the Town of Montrose.
- 3.2 **Taxable Accommodations.** The tax applies to hotels, motels, bed and breakfasts, rooming houses, tourist rooming houses, short-term rentals, and any other lodging offered for fewer than 30 consecutive days.
- 3.3 **Exemptions.** The tax does not apply to: (a) lodging furnished to the same person for more than 29 consecutive days; (b) accommodations furnished by a nonprofit for charitable purposes; or (c) accommodations provided to the operator's own employees.
- 3.4 **Marketplace Providers.** A marketplace provider that facilitates lodging sales within the Town is responsible for collecting and remitting the room tax on those sales. When a marketplace provider collects and remits the tax, the marketplace seller is relieved of that obligation.

**SECTION 4 – COLLECTION AND REMITTANCE**

- 4.1 **Operator Responsibility.** Each operator shall collect the room tax from the transient at the time of payment.
- 4.2 **Invoice Line-Item Requirement.** Every operator shall list the room tax as a separate line item on each invoice or receipt, labeled "Town of Montrose Room Tax – 8%."
- 4.3 **Quarterly Returns.** Room Tax Returns are due quarterly:

| Quarter | Period Covered        | Filing Deadline |
|---------|-----------------------|-----------------|
| Q1      | January 1 – March 31  | April 30        |
| Q2      | April 1 – June 30     | July 31         |
| Q3      | July 1 – September 30 | October 31      |

|    |                         |                                  |
|----|-------------------------|----------------------------------|
| Q4 | October 1 – December 31 | January 31 of the following year |
|----|-------------------------|----------------------------------|

**4.4 Electronic Filing.** Operators are encouraged to submit returns electronically. Electronic filing information is available from the Town Clerk.

**4.5 Remittance.** Full payment shall accompany the return, by check payable to “Town of Montrose” or by electronic transfer as authorized by the Town Clerk.

**4.6 Late Returns.** Late returns and payments are subject to penalties under Section 9.

## SECTION 5 – TAX DISTRIBUTION

**5.1 Tourism Promotion Allocation.** At least **seventy percent (70%)** of room tax revenue collected each year shall be paid to the Commission for tourism promotion and tourism development, as required by Wis. Stat. § 66.0615.

**5.2 General Municipal Revenue.** The remaining revenue may be used for general municipal purposes.

**5.3 Tourism Entity Option.** The Town Board may, by resolution, contract with a qualifying tourism entity in place of or alongside the Commission, provided all statutory distribution requirements are met.

**5.4 Annual Report to DOR.** The Town Clerk shall file the Wisconsin Room Tax Report (Form SL-304) with the Wisconsin Department of Revenue by May 1 each year, as required by Wis. Stat. § 66.0615.

## SECTION 6 – MONTROSE TOURISM COMMISSION

**6.1 Creation and Purpose.** The Montrose Tourism Commission is hereby created under Wis. Stat. § 66.0615(1)(a) to coordinate tourism promotion and tourism development for the Town of Montrose and to oversee the expenditure of allocated room tax funds.

**6.3 Membership.** The Commission shall consist of five (5) members appointed by the Town Board: (a) one (1) member of the Town Board; (b) two (2) members who are merchants of the Town of Montrose; (c) at least one (1) member who is an operator subject to the room tax imposed by this ordinance; and (d) one (1) resident of the Town of Montrose who is not a merchant and who is not otherwise engaged in tourism-related business.

**6.4 Terms.** Members serve two-year terms and may be reappointed. Vacancies are filled by the Town Board for the remainder of the unexpired term.

**6.5 Officers.** The Commission shall annually elect a Chairperson, Vice Chairperson, and Secretary.

**6.6 Meetings.** The Commission shall meet at least quarterly. A majority of members constitutes a quorum.

**6.7 Expenditure Reporting.** The Commission shall maintain records of all expenditures and report to the Town Board and to the Wisconsin Department of Revenue as required by law.

**6.8 Annual Budget.** The Commission shall prepare and submit an annual operating budget to the Town Board for review and approval prior to the commencement of each fiscal year. No expenditure shall be made that exceeds the approved budget without prior written authorization of the Town Board.

## SECTION 7 – RECORDS AND AUDIT AUTHORITY

- 7.1 Record-Keeping by Operators.** Each operator shall keep accurate records of all gross receipts, taxes collected, and returns filed. Records include reservation records, invoices, receipts, bank statements, and accounting records.
- 7.2 Retention Period.** Records shall be kept for at least seven (7) years, or until final resolution of any pending audit or legal proceeding.
- 7.3 Audit Authority.** The Town, or its authorized representative, may examine and copy operator records upon five (5) business days' written notice.
- 7.4 Cooperation.** Operators shall cooperate with any audit and make records available as requested.
- 7.5 Estimated Assessment.** If an operator fails to maintain records or refuses an audit, the Town may estimate the tax liability and issue an assessment.

## **SECTION 8 – CONFIDENTIALITY**

- 8.1 Confidentiality.** All Room Tax Returns and related records are confidential and not open to public inspection. They may be disclosed only: (a) by court order; (b) to authorized state or federal auditors; (c) to the operator or their authorized representative; or (d) in official proceedings related to collection of the tax.
- 8.2 Aggregate Data.** The Town may publish aggregate statistical data that does not identify any individual operator.

## **SECTION 9 – PENALTIES AND ENFORCEMENT**

- 9.1 Late Filing Penalty.** Late returns are subject to a penalty of 5% of the tax due per month, up to a maximum of 25%.
- 9.2 Late Payment Penalty.** Unpaid taxes are subject to a penalty of 1% per month on the unpaid balance.
- 9.3 Interest.** Unpaid taxes accrue interest at 1% per month from the original due date.
- 9.4 Forfeiture.** Willful failure to collect or remit the tax, or filing a false return, may result in a forfeiture of \$100 to \$5,000 per violation under Wis. Stat. § 66.0615(5).
- 9.5 Civil Collection.** The Town may bring a civil action to collect any unpaid tax, penalties, interest, or forfeitures.
- 9.6 Lien.** Unpaid room taxes constitute a lien on the operator's property within the Town, enforceable under Wisconsin law.

## **SECTION 10 – SEVERABILITY**

- 10.1** If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision. Such holding shall not affect the validity, constitutionality, or enforceability of the remaining portions of this ordinance, which shall continue in full force and effect.

## **SECTION 11 – REPEALER**

- 11.1** All prior ordinances, resolutions, or parts thereof of the Town of Montrose that are in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict. This repeal shall not affect any rights accrued, penalties incurred, or proceedings commenced prior to the effective date of this ordinance.

## SECTION 12 – EFFECTIVE DATE

- 12.1 This ordinance shall take effect on August 1, 2026 following passage and publication as required by law, with a sunset date of one year from the date of implementation.
- 12.2 The Town Clerk is hereby directed to publish this ordinance in the official newspaper of the Town of Montrose as required by Wis. Stat. § 60.80, and to transmit a certified copy of this ordinance to the Wisconsin Department of Revenue as required by Wis. Stat. § 66.0615 within thirty (30) days of the effective date.
- 12.3 The Town Clerk shall maintain a certified original of this ordinance in the official records of the Town of Montrose and shall make copies available for public inspection during regular office hours.
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## ADOPTION BY THE TOWN BOARD OF THE TOWN OF MONTROSE, WISCONSIN

This ordinance was duly passed and adopted by the Town Board of the Town of Montrose, Dane County, Wisconsin, at a lawfully convened meeting held on June 2, 2026

Town Board Chair:

Roger C. Dodel

Date:

June 2, 2026

Supervisor:

Paul Schiller

Date:

June 2, 2026

Town Clerk (Attest):

Jennifer E. Armstrong

Date:

June 2, 2026