

**TOURIST ROOMING HOUSE OPERATIONS TASK FORCE
FEBRUARY 10, 2022
COMMITTEE ROOM #2 – 2ND FLOOR
ONEIDA COUNTY COURTHOUSE
RHINELANDER, WI 54501**

Members present: Bob Thome, Scott Holewinski, Russ Fisher, Via Zoom: Linda Conlon
Members absent: Karl Jennrich

Call to order and Chairperson’s announcements.

Chair Thome called the meeting to order at 1:00 p.m. in accordance with the Wisconsin Open Meeting Law.

Approve agenda for today’s meeting (order of agenda items at Chairperson’s discretion).

Motion by Russ Fisher, second by Scott Holewinski to approve the agenda. With all members present voting “aye”, the motion carried.

Public comment/communication

Ann Wahlers spoke regarding concerns of rentals potentially developing near her residence.
Patricial Jaduy spoke regarding concerns of rentals potentially developing near her residence.

Approve meeting minutes of January 27, 2022. Motion by Russ Fisher, second by Bob Thome to approve the meeting minutes of January 27, 2022. With all members present voting “aye”, the motion carried.

Review TRHO TF Directive Outline See “Finalized TRHO TF Directive Outline” section below.

Tourism Council Report Chair Thome met with the Tourism Council on Monday. The council uses AirDNA for their data.

Review ‘length of stay’ allowances in different zoning districts

No minimum stay districts: 03 Multiple Family, 04 Residential and Farming, 05 Recreational, 06 Business B-1, 07 Business B-2, 10 General Use, 14 Residential and Retail, Unzoned areas
6 consecutive day minimum stay districts: 1-B Forestry, 1-C Forestry, 02 Single Family, 08 Manufacturing and Industrial, 15 Rural Residential

Update on proposed maximum occupancy and the maximum number of vehicles allowed.

Planning and Zoning Department is researching. Corporation Counsel has some concerns if it is allowable.

Corporate Counsel – REVIEW/UPDATE Compliance Enforcement in the initial permitting/licensing/sales tax registration process, post initial compliance process, and penalties for violations/revocations, manpower, status of current violations, Granicus affidavit status

Chad Lynch advised the task force that an affidavit was received from Granicus, but it may not be

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admissible in court. Had first court trial for a TRH citation yesterday; it was a guilty verdict. Mr. Lynch stated that including a definition of “occupancy” in the tourist rooming house ordinance, section 9.58(C)(1) may be helpful.

Public Health Department – REVIEW/UPDATE Inspection & Licensing process, manpower/job requirements, metrics, fees, funding Jody McKinney informed the task force that the Board of Health approved the hiring of an additional sanitarian, Linda will be taking to the County Board for their approval then they will post the position and hope to have it filled by early summer.

Planning & Zoning Department – REVIEW/UPDATE Administrative Review Permit process, manpower/job requirements, metrics, fees, funding, Walworth, Polk, Buffalo County Ordinance There is no known response from the counties to date. The task force was given a frequently asked question handout that Walworth County uses. The task force agreed it may be helpful to offer something similar on the County website.

FINALIZE TRHO TF Directive Outline The task force discussed and made changes to the directive report and directive outline summary, a copy of each is attached to these minutes.

Future agenda topics – Not applicable, no future meetings

Public comment/communications

Ann Wahlers spoke regarding the history of TRH’s.

Scott Elsner spoke and suggested that maximum occupancy be tied to the number of formal bedrooms (as defined by having a closet, egress window, etc.) which may prevent oversized septic systems and parking problems.

Teri Schwab clarified that TRH’s in unzoned areas still require a license from the Health Department regardless of whether they require an administrative review permit.

Dates and items for future agenda/meetings – Not applicable, no future meetings

Adjourn.

2:56 p.m. There being no further matters to lawfully come before the committee, Chair Thome adjourned the meeting.

Chair, Bob Thome

Tourist Rooming House Operations (TRHO) Resolution Directives Summary

*Reference the Task Force Directives Status Report dated 2.10.22

Find a method to address staffing to ensure compliance of Tourist Rooming House Operations

- Create or appoint a lead person/coordinator to coordinate efforts of the OCPZD, OCHD, and Corporation Counsel to ensure efficiency with all three departments.

Establish a process for handling non-compliant TRHO

- Current process: once identified, letter sent for non-compliance (instructed to stop renting or obtain permit) or for not following permit conditions (citation/letter sent).
- Occupancy, minimum stay, and parking are most common for non-compliance of permitted units.
- Consider amending ordinance to limit occupancy and parking at all times. Utilize site inspections for out of compliance TRHO in addition to Granicus Compliance Monitoring and 24/7 Hotline modules.

Explore third party providers to help lessen staff TRHO compliance burden

- Renew Granicus Identification Contract: contract for 700 listings, cost \$14,987 (included in OCPZD 2022 Budget or utilize ARPA funding)
- Purchase three additional modules (Compliance Monitoring, 24/7 Hotline, Mobile Permitting & Registration) for ~394 units, cost \$14,042 (possible ARPA funding or General Fund)

Establish job requirements for staff assigned to TRHO compliance

- OCHD Environmental Health Specialist (EHS) job requirements, per DATCP-recommendation is for 280-320 licensed facilities/per inspector (all OCHD programs, including TRHO).
- OCPZD job requirements-Land Use Specialist-Administrative Review Permit review (2 currently in that position).

Review penalties for violations and develop changes to permitting and licensing

- Current penalties for non-compliance may be insufficient to gain compliance.
- Require coordination of OCHD license and inspection prior to issuing the ARP. Eliminates the chance the two departments could be out of alignment on permitting and licensing (the current MOU between the two departments has limitations).
- Require a WI Seller's Permit and Room Tax Permit (if applicable) prior to issuing the ARP.
- Implement an annual renewal fee for all TRHO's, to update information and evaluate compliance with the ARP.

Establish a yearly goal for addressing non-compliant TRHO

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- 2022 goals-100 units (currently estimated to be between 100-150 TRHO that need some type of compliance or enforcement action)

DRAFT

**Tourist Rooming House Task Force
Resolution #120-2021 Directives
Status Report to Oneida County Board of Supervisors
As of February 10, 2022**

Task Force Team:

- Bob Thome – Oneida County (OC) Supervisor
- Scott Holewinski – OC Supervisor
- Russ Fisher – OC Supervisor
- Karl Jennrich – Planning & Zoning Department, Director
- Todd Troskey – Planning & Zoning Department, Assistant Director
- Deanna Tushoski – Planning & Zoning Department
- Linda Conlon – Health Department, Director
- Jody McKinney – Health Department, Environmental Health Specialist
- Chad Lynch – Corporation Counsel

Resolution Directives:

- Find a method to address staffing to ensure compliance of Tourist Rooming House Operations (TRHO)
- Establish a process for dealing with non-compliant TRHO
- Explore third party providers to help lessen the burden of assuring compliance of TRHO
- Establish job requirements of those dealing with TRHO compliance
- Review penalties for violations and list suggested changes to permitting and licensing
- Establish a yearly goal for addressing TRHO which are out of compliance

Background:

- Ordinance History:
 - As part of the 2017-2019 Wisconsin State Budget, the Wisconsin Legislature enacted a law (within Act 59) that prohibits a local municipality (County, Village, Town) from banning rental of a dwelling for a period of time of seven (7) consecutive days or more.
 - The law does not prohibit the county from regulating short-term rentals of any duration, and does not prohibit the county from requiring short-term rentals to meet requirements such as parking, occupancy, septic system sizing, requiring resident agents, or permits.
 - In 2019, the Oneida County Board of Supervisors adopted section 9.58- Tourist Rooming Houses, as part of the Oneida County Zoning and Shoreland Protection Ordinance (OCZ&SPO).
- Definition and Requirements:

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- Current OCZ&SPO Definition-Tourist Rooming House: All lodging places and dwelling units for eight (8) or less persons, other than hotels and motels with four (4) or less rooms, in which sleeping accommodations are offered for pay to tourists or transients. It does not include private boarding or rooming houses not accommodating tourist or transients, or bed and breakfast establishments.
- ATCP 72 definition (used by OCHD)-“Tourist rooming house” means all lodging places and tourist cabins and cottages, other than hotels and motels, in which sleeping accommodations are offered for pay to tourists or transients. It does not include private boarding or rooming houses not accommodating tourists or transients, or bed and breakfast establishments regulated under ch. [ATCP 73](#).
- TRHO fall under the jurisdiction of the Oneida County Planning & Zoning Department (OCPZD) and the Shoreland Protection Ordinance - Must have an Administrative Review Permit (ARP) in zoned areas and comply with those regulations (\$250 one-time fee or \$750 after the fact fee). No ARP is required in unzoned areas.
- The Oneida County Health Department (OCHD) was granted ‘agent’ status (under contract) by the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) in 2006 – charged with administering the DATCP Lodging Program. Pursuing unlicensed lodging facilities helps eliminate unfair business practices. TRHO must have an OCHD License and annual inspection (\$300 license one-time fee, \$110 annual inspection fee). In the past, OCHD has deferred locating unlicensed TRH’s to the OCPZD. An OCHD license is required regardless of whether an ARP is required by the OCPZD. TRHO must have a WI Sales Tax Seller’s ID number and report revenues collected in all areas, and may require a ‘Town’ Room Tax number and revenue collection reporting.
- The task force chose not to address a property/casualty insurance requirement, based upon advice of Corporation Counsel.
- By the Numbers:
 - The number of ‘active’ TRHO listings is fluid and ever changing – depending upon the time of year – lower after Labor Day, increasing towards April/May.
 - As of 7-9-2020, on the VRBO website, were advertised over 1,000 TRHO listings in OC.
 - As of 2-20-2021, Granicus (OCPZD third Party provider) identified 701 TRHO listings in OC.
 - As of 10-20-2021, AirDNA (third party provider – tourism) identified 433 active TRHO listings on AirBNB in OC.
 - As of 1-26-2022, OCPZD had sent out 76 letters in ‘21 and ‘22.
 - As of 1-26-2022, Granicus identified 289 active listings.
 - There are currently estimated to be between 100-150 TRHO that need some type of compliance or enforcement action.

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➤ Challenges:

- Zoning District and 'un-zoned' towns length of stay requirement inconsistencies:
 - Single Family Residential allows rentals of only greater than 6 nights - 118 TRHO exist as of 2-1-22.
 - Several zoning districts (such as general use) have no minimum stay requirements-171 TRHO exist as of 2-1-22.
 - Un-zoned areas have no permit requirements, thus no minimum stay requirement, however, the TRHO's still need to be licensed and inspected by the OCHD.
 - It is possible that two properties across the street from each other could have different TRHO 'length of stay' requirements because they are zoned differently.
- Over occupancy and allowed vehicular parking
- Lost sales tax revenue:
 - The 'average' daily rental rate is \$250 +/-, 13-week tourist window (91 days) – estimated \$22,750 +/- annual rental revenue - at the WI sales tax rate 5.5% - estimated sales tax evaded \$1,251.25 for each unit....or \$125,125 for every block of 100 TRHO.
 - Lost room tax revenue depending upon TRHO location.
- Staffing: Both OCPZD and the OCHD may lack sufficient staff resources to address permitting, licensing, and inspection, as determined by the head of the departments.
 - No one-person is charged with/owns managing the licensing and permitting process in the OCPZD.
 - OCHD splits licensing and inspection between three full-time staff and possibly two interns in the summer (when able to get the interns). However, the OCHD is responsible for licensing and inspection of over 1,100 different types of facilities, which does not include health hazards, public water-related sample analysis, etc.
 - Timing Urgency – TRHO advertising is time sensitive, seasonal, and ever changing.
 - Most advertising is done in the Feb-May timeframe (some TRHO's advertise year-round on their own (do not use a web-based company to advertise).
 - Goal is to get to 100% occupancy – then stop advertising.
 - Granicus (monitors 60 platforms) and others use 'advertising' to identify TRHOs – once advertising is stopped, the TRHO falls off the radar screen – still renting but not advertising.
- Volume:
 - The ARP process is cumbersome but necessary.
- Compliance Enforcement:

- Once permitted/licensed – ~32% TRHO's so far do not stay in compliance with OCPZD requirements.
- Number of renters, length of (number of days) stay, vehicles, parking.
- Example: At one point - 37 permitted TRHO in Minocqua, 17 were out of compliance.
- Penalties for non-compliance may not be severe enough to change behavior.
- Corporation Counsel's participation is critical and has limited resources.
- Monitor existing permitted TRHO for violations of ARP conditions.
- Monitor existing licensed TRHO for annual inspections and violations.
- Cross reference and substantiate permitted and licensed TRHO – some are licensed through OCHD but not permitted through OCPZD.

Findings and Recommendations as Related to the Directives:

- There are two distinct areas of the TRHO problem which need to be addressed:
 - Achieving 90-95% compliance with the OCPZD ARP ordinance and OCHD licensing.
 - Maintaining/monitoring compliance after the permitting and licensing process.
- Regarding compliance goals:
 - OCPZD ARP process takes approximately 2-2.5 hours per TRHO.
 - OCHD initial licensing and inspection takes approximately 3-4 hours per unit.
 - 100 units would take 550-650 hours (total both departments) to go through the process.
 - Note – estimated hours do not include time required to deal with non-compliant TRHO.
 - 2022 goals-100 units.
- Regarding ordinance compliance, based upon the challenges of this complex, multi-faceted, multi-departmental issue:
 - Create or appoint a 'point person/coordinator' to be responsible for coordinating the efforts of the OCPZD, OCHD, Corporation Counsel to ensure all departments are working to the same goal. Duties may include:
 - Alignment of OCHD licensing and OCPZD permitting - currently there are units licensed but not permitted and conversely permitted but not licensed.
 - Increase OCHD staffing to meet estimated annual contract compliance goals, funded by license fees generated (Board of Health is the committee of jurisdiction).
 - Possible increase OCPZD staffing to meet estimated annual compliance goals, funded by permit fees or ARPA funds – (3rd party provider assistance may

eliminate need for increase OCPZD staff). (Planning & Development is the committee of jurisdiction).

➤ Regarding the process for dealing with non-compliant TRHO:

Unpermitted TRHO Process

Receive complaint or department research
Check Granicus for listing
Confirm listing on advertisement platform (Airbnb, VRBO, etc.)
Check with OCHD to confirm they are not licensed through OCHD
Send letter to cease renting, need After-the-Fact (ATF) fee/permit
Owner response – will stop renting or get ARP
Abate complaint after rental is ended or ARP is issued

Enforcement process – not following ARP or continuing to rent after cease letter

Receive complaint or department research
Check Granicus for listing
Confirm listing on advertisement platform (Airbnb, VRBO, etc.)
Create citation
Send letter & citation
Court
Abate after listing comes into compliance

➤ Regarding engaging third party providers:

- Several third-party providers were evaluated.
- Renew Granicus Identification Contract (with potential Corp Council contract language change– contract 700 listings, cost \$14,987 (included in P&Z 2022 Budget or utilize ARPA funding) (OCPZD initiated) The identification contract is a good tool for compliance in addition to the initial licensing value.
- Purchase three addition modules (Compliance Monitoring, 24/7 Hotline, Mobile Permitting & Registration) 394 units, cost \$14,042 (possible ARPA funding or General Fund) (OCPZD initiated).
- Utilize 3rd party providers for a maximum three-year period to achieve 95% compliance and match ARPA funding timeline.

➤ Regarding special job requirements of those dealing with TRHO compliance:

- OCHD Environmental Health Specialist job requirements (per DATCP – Division of Food Safety and Recreational Licensing recommendation) for 280 - 320 licensed facilities/per inspector (self-funded with OCHD fees).
- OCPZD job requirements – Land Use Specialist - Administrative Review Permit capable (2 currently in that position).
- Corp Counsel – None

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- Finance – None
- Public Safety – None
- Regarding penalties for violations and suggested changes to OCPZD permitting and licensing:
 - Re-evaluate Permitting workflow – OCPZD
 - Require OCHD license and inspection prior to issuing the ARP – eliminates the chance of the two departments being out of alignment on permitting and licensing.
 - Utilize the third-party additional modules Compliance Monitoring and Mobile Permitting & Registration (to potentially reduce in office workflow)-to be reviewed annually.
 - Require ‘WI seller’s permit” and Room Tax Permit (if applicable) prior to issuing the ARP.
 - Implement an annual renewal fee for all TRHO’s, to update information and evaluate compliance.
 - Consider utilizing ‘on-site’ inspections for out of compliance TRHO’s – with the goal of helping Corporate Counsel enforce the ordinance and/or issue citations.
 - Consider maximum number of vehicles and maximum allowed occupancy based upon number of bedrooms and vehicle formula.
 - Occupancy, minimum stay, and parking are the biggest challenges.

**Respectfully Submitted,
Tourist Rooming House Operation Task Force**