



City of Madison

City of Madison
Madison, WI 53703
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Master

File Number: 31136

File ID: 31136

File Type: Ordinance

Status: Public Hearing

Version: 1

Reference:

Controlling Body: PLAN
COMMISSION

Lead Referral: PLAN COMMISSION

Cost:

File Created Date : 08/02/2013

File Name: Tourist Rooming

Final Action:

Title: Amending Sections 28.032, 28.061, 28.072, 28.082, 28.091 28.151, and 28.211 of the Madison General Ordinances to add Tourist Rooming House to the Zoning Code.

Notes: 5335tourist.rooming

Code Sections:

CC Agenda Date: 10/01/2013

Indexes:

Agenda Number: 9.

Sponsors: Mark Clear, Shiva Bidar-Sielaff, Matthew J. Phair, Marsha A. Rummel, Ledell Zellers, Sue Ellingson and Michael E. Verveer

Effective Date:

Attachments: BODY

Enactment Number:

Author: Maureen O'Brien

Hearing Date:

Entered by: dalthaus@cityofmadison.com

Published Date:

Approval History

Version	Date	Approver	Action
1	08/02/2013	Michael May	Approved as to Form
1	08/06/2013	Daniel Bohrod	Approve

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Attorney's Office/Approval Group	08/02/2013	Referred for Introduction				
	Action Text:		This Ordinance was Referred for Introduction				
	Notes:	Plan Commission; Public Hearings: Plan Commission 9/16/13; Common Council 10/1/13					
1	COMMON COUNCIL	08/06/2013	Referred for Public Hearing	PLAN COMMISSION			
	Action Text:	This Ordinance was Referred for Public Hearing to the PLAN COMMISSION for their 9-16-2013 meeting.					
	Notes:	Plan Commission 9-16-2013, Common Council 10-1-2013					

1	COMMON COUNCIL	09/03/2013				
1	PLAN COMMISSION	09/16/2013	RECOMMEND TO COUNCIL TO RE-REFER - PUBLIC HEARING	PLAN COMMISSION	10/14/2013	Pass
	Action Text:	A motion was made by Zellers, seconded by Rewey, to RECOMMEND TO COUNCIL TO RE-REFER - PUBLIC HEARING to the PLAN COMMISSION and should be returned by October 14, 2013. The motion passed by voice vote/other.				
	Notes:	The Plan Commission recommended re-referral of this zoning text amendment to the October 14, 2013 meeting at the request of members of the Common Council.				
1	COMMON COUNCIL	10/01/2013	Referred for Public Hearing	PLAN COMMISSION		Pass
	Action Text:	A motion was made by Schmidt, seconded by Resnick, to Referred for Public Hearing to the PLAN COMMISSION. The motion passed by voice vote/other.				
	Notes:					
1	PLAN COMMISSION	10/14/2013				

Text of Legislative File 31136

Fiscal Note

The Ordinance amendment will align the City's Zoning Code with State requirements that establishments that provide temporary lodging be inspected and licensed. Establishments that comply with such requirements are subject to local Room Tax requirements. Assuming the Ordinance amendment results in greater compliance, then the City might subsequently anticipate additional Room Tax revenues.

The number of such currently unlicensed establishments in the City that provide temporary lodging is unknown. Estimates range from 50 to possibly a few hundred. Under the proposed Ordinance amendment, unlicensed establishments will be required to ensure they are in compliance with zoning code restrictions and permitted conditional uses, pay an annual licensing fee, be subject to annual Health safety inspections, and pay the appropriate amounts of Room Tax. Non-compliant entities may be cited for non-compliance and subject to penalties.

It bears emphasis that the data regarding the number of unlicensed establishments are not currently available. Further, it is not known whether the overall impact of the Ordinance amendment on unlicensed establishments will result in additional compliance, the potential compliance magnitude thereof, whether some establishments may cease operations, and so on.

For purposes of illustration, if it is assumed that 100 such establishments operate within the City and comply with inspection, licensing and Room Tax requirements, the following are the estimated fiscal impacts:

Licensing Fees: The initial fee to open a Tourist Rooming Home is \$595; after the first year of licensed operation, license renewal fees are \$220 per year. These fees are used to support the inspection efforts of Public Health Madison and Dane County. Assuming 100 new licensees, the licensing revenues generated will be \$59,500 in the first year, followed by annual renewal fees of \$22,000. These revenues are dedicated to support the inspection efforts of the Health agency, and are not credited to the City General Fund for the support of City operations.

Conditional Use Fees: All currently unlicensed temporary lodging establishments will need to

comply with the City's Zoning Code and will need to apply with the City for a conditional use approval. A conditional use application fee is \$600. This is a one-time fee, intended to cover the City's costs to process the application. An additional 100 conditional use application fees @ \$600 each would yield a total of \$60,000, funds which would be credited to the City General Fund.

Room Tax: The lodging rates charged by each establishment and the occupancy rates of the establishments vary considerably, and good data are lacking. Assuming 100 establishments, each charging an average of \$100 per night, and with average annual occupancies of 30 days, then total lodging-generate revenues are \$300,000. The Room Tax rate is 9% of room rental revenues, or about \$27,000 annually, which would be credited to the City Room Tax Fund.

City and Health Agency Administration: At this time, the need for additional staff resources to administer the requirements is not anticipated. However, depending on the actual number of establishments that may ultimately be identified, it is possible that there may a need for additional staff administrative resources in the future. These resources would need to be included in future operating budgets, subject to Common Council approval.

Title

Amending Sections 28.032, 28.061, 28.072, 28.082, 28.091 28.151, and 28.211 of the Madison General Ordinances to add Tourist Rooming House to the Zoning Code.

Body

DRAFTER'S ANALYSIS: The City has become increasingly aware of websites such as VRBO and AirBnB that facilitate short-term rentals of private homes. The current zoning code does not specifically address these rentals. Under state law, such establishments are required to be licensed and to pay room tax just as hotels and bed and breakfast establishments do. This amendment establishes these rentals as a conditional use in all districts, requires licensure, registration with the treasurer's office, payment of room tax and a 500-foot spacing requirement.

The Common Council of the City of Madison do hereby ordain as follows:
See BODY in attachments.