

COMMITTEE REPORT

COMMITTEE: Ad-Hoc DMO Committee
CHAIRPERSON: Scott Toot
DATE/TIME: March 29, 2019 at 12:30 p.m.

PRESENT:

<input checked="" type="checkbox"/> Brandon Behlke	<input checked="" type="checkbox"/> Bill Bingham
<input checked="" type="checkbox"/> John Lang (12:54 pm)	<input checked="" type="checkbox"/> Scott Toot

Others: Mary Althof, Dan Burke, Melisa Hammer, Rose Noble, Nikki Peebles, Birgit Radin, Dan Reimer, Colin Sanderson, Merri Sevey, Nancy Shady, Eric Tison, Mark VanOsdol and Don Zillig.

1. **Call to Order** – Scott Toot called the meeting to order at 12:50 p.m.
2. **Roll Call and establishment of a quorum** – A quorum of members was present.
3. **Introductions**- Chairman Toot asked that we start with introductions of everyone present.
4. **Citizen’s Comments** – None
5. **Unfinished Business** - None
6. **New Business**
 - a) **Review, discussion and possible action on Destination Marketing Management Agreement** – Chairman Toot asked Rose Noble, Galena Country Tourism CEO, if she would like to start discussion on the Destination Marketing Agreement. Noble discussed that GGMI is happy with the current marketing agreement. The current agreement expires June 30, 2020 and she would like to get that conversation started on another long term agreement. Toot discussed that he is impressed with the promotion marketing and managing efforts of Galena Country Tourism (GCT) thus far, Brandon Behlke agreed. Discussion moved to the County’s fee for administration and enforcement of the Hotel/Motel Tax. The contract currently allows the County to submit invoices to recover the actual costs, not to exceed \$18,000 annually. The County has previously requested an increase to \$105,000 per year based on the results of a 2017 cost/fee study. GCT believes this is too high and would like to discuss a compromise that both parties can agree on. GCT requested a breakdown of tasks required to collect the hotel/motel tax. Melisa Hammer will create a spreadsheet detailing these tasks and will include statutorily responsibilities and office responsibilities. This report will be presented at the next committee meeting scheduled for April 26th. The committee agreed on the top priorities to begin negotiations: a compromise on the administration fee charged by the County for the collection and enforcement of the Hotel/Motel tax and ideas on assistance for monitoring lodging/rental properties. The County would like GCT to take a neutral position on the proposed 1% tax amendment and the committee agreed this topic can be discussed at a later time. Toot noted a 5-year contract with GCT would be ideal; Behlke agreed along with Noble. John Lang noted that he was happy with the good marketing by GCT and wanted the group to know he believes the “split” was a bad idea. Lang looks forward to future discussions.
 - b) **Review, discussion and possible action on Hotel/Motel Tax, Airbnb’s and online travel agencies** – Melisa Hammer, County Treasurer, presented a summary report of information she received from the Illinois Department of Revenue regarding hotel/motel tax collected by the state from lodgings in Jo Daviess County. When compared to the local

amount of hotel/motel tax collected by Jo Daviess County and the City of Galena there is a significant difference. Hammer estimated that the local tax should be about \$184,000 more and of this amount approximately \$110,000 could be from AirBnB rentals. AirBnb does not collect County hotel/motel taxes but they do collect State taxes. Hammer believes vacation rental property owners need more education on the requirements of the guest accommodation ordinance and the collection of local hotel/motel tax. Dan Reimer discussed the history behind the Jo Daviess County Guest Accommodations Ordinance and the importance of life safety requirements. Airbnb and other online travel agencies do not collect local hotel/motel taxes but they do collect State taxes. The owner of the vacation rental is responsible for collecting and paying the local hotel/motel tax. Mark VanOsdol asked how we determine who is renting under the radar and not paying the hotel/motel tax. Hammer responded that her office does not have the resources to do that. We rely on people who may call in. The Treasurer's Office works with the Health Department of the Planning & Development Department to see if vacation rental has a valid guest accommodations license. The Planning & Development Department monitors properties in the unincorporated areas of the county that have applied for and received a guest accommodations license. If the rental property is located in an incorporated City or Village the County has no jurisdiction. Most cities and villages in Jo Daviess County do not have a guest accommodations ordinance. Noble believes GCT staff can assist with the monitoring of vacation rentals.

7. Citizens' Comments – None

8. Committee Members Concerns

9. Next regular meeting – The committee decided to schedule the next meeting for Friday, April 26, 2019 at 1:00 p.m. at the Jo Daviess County Courthouse, County Board Room, Galena, Illinois.

10. Adjourn – Meeting adjourned at 1:52 p.m. following a motion by John Lang and seconded by Brandon Behlke.