



# City of Madison

City of Madison  
Madison, WI 53703  
www.cityofmadison.com

## Master

**File Number: 31136**

**File ID:** 31136

**File Type:** Ordinance

**Status:** Public Hearing

**Version:** 1

**Reference:**

**Controlling Body:** PLAN  
COMMISSION

**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

**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:**

### 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				
	<b>Action Text:</b>		This Ordinance was Referred for Introduction				
	<b>Notes:</b>		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			
	<b>Action Text:</b>		This Ordinance was Referred for Public Hearing to the PLAN COMMISSION for their 9-16-2013 meeting.				
	<b>Notes:</b>		Plan Commission 9-16-2013, Common Council 10-1-2013				
1	COMMON COUNCIL	09/03/2013					

### 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 be 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.

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

# CITY OF MADISON, WISCONSIN

AN ORDINANCE \_\_\_\_\_

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.

PRESENTED  
REFERRED

FROM THE FLOOR 8/6/13  
Plan Commission; Public  
Hearings: PC 8/26/13;  
CC 9/3/13

Drafted by: Maureen O'Brien

Date: August 2, 2013

SPONSOR: Aids. Clear, Bidar-Sielaff, Phair,  
Rummel & Zellers

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.

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The Common Council of the City of Madison do hereby ordain as follows:

1. Table 28C-1 of Subsection (1) of Section 28.032 entitled "Residential District Uses" of the Madison General Ordinances is amended by creating therein the following:

"Residential Districts"																
	SR-C1	SR-C2	SR-C3	SR-V1	SR-V2	TR-C1	TR-C2	TR-C3	TR-C4	TR-V1	TR-V2	TR-U1	TR-U2	TR-R	TR-P	Supplemental Regulations
<b>Retail, Service, Recreation and Other Uses</b>																
Tourist rooming house	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	Y"

2. Table 28D-2 of Section 28.061 entitled "Mixed-Use and Commercial Districts Uses" of the Madison General Ordinances is amended by creating therein the following:

"Mixed-Use and Commercial Districts"							
	LMX	NMX	TSS	MXC	CC-T	CC	Supplemental Regulations
<b>Commercial Recreation, Entertainment and Lodging</b>							
Tourist rooming house	C	C	C	C	C	C	Y"

Approved as to form:

3. The Table 28E-2 of Subsection (1) of Section 28.072 entitled “Downtown District Uses” of the Madison General Ordinances is amended by amending therein the following:

<b>“Downtown and Urban Districts</b>						
	DC	UOR	UMX	DR1	DR2	Supplemental Regulations
<b>Commercial Recreation, Entertainment and Lodging</b>						
<u>Tourist rooming house</u>	C	C	C	C	C	Y”

4. The Table 28F-1 of Subsection (1) of Section 28.082 entitled “Employment District Uses” of the Madison General Ordinances is amended by amending therein the following:

<b>“Employment Districts</b>							
	TE	SE	SEC	EC	IL	IG	Supplemental Regulations
<b>Commercial Recreation, Entertainment and Lodging</b>							
<u>Tourist rooming house</u>	C	C	C	C			Y”

5. The Table 28G-1 of Subsection (1) of Section 28.091 entitled “Special District Uses” of the Madison General Ordinances is amended by amending therein the following:

<b>“Special Districts</b>						
	A	UA	CN	PR	AP	Supplemental Regulations
<b>Commercial Recreation, Entertainment and Lodging</b>						
<u>Tourist rooming house</u>	C				C	Y”

6. Section 28.151 entitled “Applicability” of the Madison General Ordinances is amended by creating therein the following:

“Tourist Rooming House.

- (a) The establishment shall have a current license from Public Health of Madison and Dane County, as required by DHS 195.
- (b) No Tourist Rooming House within a residential district shall be located within five hundred (500) feet from any other Tourist Rooming House or a Bed and Breakfast Establishment.
- (c) Owner shall register with Treasurer’s office and shall pay room tax as required under Sec. 4.21, MGO.
- (d) Only the owner of the property may operate a Tourist Rooming House.”

7. Section 28.211 entitled “Definitions” of the Madison General Ordinances is amended by creating therein the following:

“Tourist or Transient. A person who travels to a location away from his or her permanent address for a short period of time, not to exceed one month, for vacation, pleasure, recreation, culture, business or employment.

Tourist Rooming House. A building or portion thereof, other than a Hotel, Motel, Bed and Breakfast Establishment or Hostel, in which sleeping accommodations are offered for pay to tourists or transients. The definition does not include private boarding, lodging or rooming houses not accommodating tourists or transients.”