

SAWYER COUNTY HEALTH & HUMAN SERVICES

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Sawyer County New Contact for Vacation Rental Licensing

If you are an owner thinking of renting out a property for overnight stays to the general public for a fee, you may not be aware of what you must do by law, or what you can do to protect yourself, your property, and the guests paying to stay there. Each state and county is different in how rentals are regulated, which can make it confusing. I hope that this article will help.

Lodging facilities come in many forms. Common examples of lodging facilities requiring a State license include hotels, motels, B&B's, row houses, cabins, cottages, lodges, homes, condominiums or rental rooms located above a business.

First, we need to understand what a Tourist Rooming House (TRH) is exactly. The State's Administrative Code ATCP 72 defines TRH's as "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." A "Tourist" or "Transient" means a person who travels to a location away from his or her permanent address for a short period for vacation, pleasure, recreation, culture, business, or employment. Sometimes these facilities are also called "Short Term Rentals," "Airbnb's," and "VRBO's," just to name a few.

Notice that in the definition for tourists or transients a person has to be away from his or her permanent address in order to meet the definition. It does not matter if the tourist or transient is there for the season, the month, a week, a day or less. If the facility is rented to a tourist or transient, it will require a license.

As mentioned above if you are renting even for one night, you need to have a State license. Sawyer County has contracted with the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) to become "Agents" of the State. The State's Lodging License is now obtained through Sawyer County Health & Human Services Environmental Health Department. The County has hired an Environmental Health Sanitarian Specialist (Inspector) to ensure licensing compliance and overall public safety of the facility for the guests and owner.

Where do I begin?

You begin the process by contacting the Sawyer County Environmental Health Sanitarian Specialist. They will walk you through the process and help you determine the best license for your lodging operation. They can provide you with an information packet that will guide you through the licensing procedure. After you submit an application for a State license, a Sanitarian will be assigned to your business. The Sanitarian is the inspector responsible for approving your lodging license. They assure that the lodging operation meets health and safety requirements. Arrange a time to meet with the Sanitarian at your facility. This meeting is called a Pre-Licensing Inspection. During this inspection, your Sanitarian will share with you the applicable code requirements that your structure must meet.

What else do I need to do?

A State license can only be issued to facilities with a valid Seller's Permit. If you have not done so already, you will need to contact the Wisconsin Department of Revenue to register for a Seller's Permit, also known as a Sales & Use Tax Permit number. Homeowners or other individuals, who make rooms or lodging available to the public for periods less than one month, must report and pay Wisconsin sales tax on such rentals. This includes the short-term rental (TRH) of a home, room, apartment, cabin, inn, motel, or any other building in which accommodations are made available to the public.

Exception: if a lodging marketplace notifies the owner that it is collecting the taxes, the owner is not required to collect and remit taxes on those rentals.

You will also need to contact your local municipality (township, city) to inquire as whether a room tax is collected and/or additional ordinances apply to your facility as well.

It is highly suggested that you should contact your insurance professional to safeguard you have coverage (additional/extended policy) for the renters should something unfortunate occur.

Property owners looking to rent out their facility are required to have safe drinking water. In order to ensure an establishment has high quality water, it is necessary for an annual coliform bacteria test be conducted, the water deemed "safe," and the paperwork present at the time of inspection. Sawyer County Health and Human Services has recently opened a certified drinking water lab that can accommodate your water testing requirements for a TRH lodging license at the time of inspection.

What are the fees?

As we mentioned earlier, if you are a new TRH just getting started you will need to have a onetime Pre-Inspection. This fee is \$300. Once you pass the pre-inspection and pay the \$110 annual license fee, your permit will be issued. After the first year, you will only be obligated to pay the \$110 for the annual renewal of the license. An annual bacterial water test done by the County is \$25.

How long is my license good?

A License is good for one year (July 1 to June 30) and renewals will be mailed around May 1 each year. If you are a new facility and apply for a license between April 1 and June 30, your license would be good through the following year (a 15-month license).

What if I am currently operating a TRH and I do not have a State License?

If you are offering sleeping accommodations for pay to transients or tourists, you must either immediately cease and desist from doing so or obtain a license immediately.

Facilities found non-compliant will be issued a warning letter. If you immediately stop renting your premises without a license and remove any and all modes of advertising of the rental (websites, social media, newspaper, etc.), the department will not take any enforcement action. If you apply for a license and pay the applicable fee within 14 days from the date of notification, the additional \$749 fee for operating without a license will be waived.

Sawyer County vacation rental industry is growing and regulated to protect the health and safety of those who use these services.

For more information, please contact Sawyer County Health and Human Services by calling 715-634-4806 or by email: environmentalhealth@sawycrhs.hayward.wi.us.