



August 2015 Government Affairs Update

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LOCAL ISSUES

OH&LA FIGHTS ILLEGAL LODGING TAX IN COURT

Representatives from OH&LA and other industry partners travelled to Lorain County for a hearing before Judge Raymond J. Ewers of the Court of Common Pleas to argue the case against an illegal lodging tax imposed unilaterally by the City of Avon. Despite advice to the contrary from OH&LA, industry legal counsel and others, Avon's City Council, supported by Mayor Bryan Jenson, enacted a three percent lodging tax, even though the amount of existing lodging tax was already at the statutory cap.

Attorney Pete Wade of the Ice Miller law firm laid out the legal arguments on behalf of OH&LA, the Ohio Assn. of Convention and Visitors Bureaus, and the Ohio Travel Association. The case is bolstered by a friend of the court brief submitted by Ohio Attorney General Mike DeWine supporting the OH&LA position.

The case is important because it would set an important precedent for local jurisdictions around Ohio that could chose to create new lodging taxes outside the legal guidelines any time they wish. This is why the lawsuit and OH&LA's efforts are so important. A decision is expected soon.

OH&LA LEADS EFFORT TO PROTECT HOTELS IN COLUMBUS LICENSING EFFORT

OH&LA was the only industry or business organization to testify at a recent Columbus City Council Public Safety Committee hearing on proposed hotel/motel licensure. The proposal is intended to give the city more enforcement authority in combating high-crime nuisance properties.

City Councilman Zach Klein, prime backer of the measure, engaged OH&LA early in the process and as a result, early drafts included important provisions designed to protect responsible hotel operators and business owners, and to provide remediation options for hotels genuinely interested in improving. The city has committed to being responsive to hotel industry concerns as the process continues. OH&LA is performing a complete legal review of the draft released just prior to last week's hearing and will provide additional critical feedback.

Columbus is committed to enacting legislation that will give more enforcement powers to authorities regarding high-crime properties. OH&LA must continue to take the leading role in being at the table and helping craft a model that protects hotels but doesn't protect criminal enterprises.

STATE ISSUES

OH&LA WORKS TO BUILD COLLABORATION WITH STATE FIRE MARSHAL

The Ohio Division of Fire Marshal has proposed a new, voluntary program for hotels that may want to seek a designation for compliance under "Operation Safe Stay." The program will not change any standards for inspection or compliance, will not use a grading system, and will not create costs for hotels that chose to participate.

OH&LA has shared a summary of the Safe Stay proposal with members. Contact amanda@ohla.org for a copy.

OH&LA was the only entity to provide public comments at a hearing at the Fire Marshal's office, and the only entity to provide testimony on the rule before a legislative review committee. Our efforts have focused on ensuring the program provides opportunities for hoteliers to be recognized for compliance and to gain incentive to increase their compliance efforts each and every day. A secondary goal is to create a more collaborative working relationship with the Fire Marshal that will allow additional discussions on improving inspection processes and training, creating more consistency in enforcement, and other matters impacting hoteliers.

BILL TO LIMIT PRESCRIPTION COPAYS COULD SHIFT COST BURDEN TO HEALTH PLANS AND CONSUMERS

State lawmakers are considering a bill that could mean higher insurance premiums for all health care consumers while ignoring one of the biggest factors driving increased prescription drug costs. Senate Bill 135 would limit copayments for specialty drugs to \$150 for a month's supply. The bill's sponsors see this as a way to protect drug consumers, but the measure could cost all premiums to increase.

Opponents point out that rising health care costs are a major concern to employees and employers. But polling shows that respondents feel that prescription drug company profits were more responsible for high drug costs than any other source. Additionally, voters overwhelmingly believe – by margins of as high as 83 and 84 percent – that while there is a cost associated with the development of prescription drugs, those drugs need to be priced at a level the entire health care system can afford.

How do you feel about the cost of prescription drug benefits, and the effect of those costs on your overall wage and benefits package? What prescription benefit does your organization offer employees? Share your thoughts about the need to control prescription drug benefit costs to joe@ohla.org.

FEDERAL ISSUES

OH&LA JOINS NATIONAL GROUNDSWELL AGAINST ORBITZ-EXPEDIA MERGER

On behalf of Ohio's lodging industry, and joined by numerous individual small and medium-sized property representatives, OH&LA signed on to a letter to the U.S. Attorney General expressing serious concerns about the proposed merger of online travel companies Orbitz and Expedia.

If the merger were allowed, two entities -- a combined Orbitz-Expedia entity and Priceline -- would control 95 percent of online bookings. In addition to potentially limiting competition and providing consumers fewer choices, the OTC market still does not play by the same rules as hotels in terms of remitting their fair share of taxes, and has not addressed growing problems of deceptive online bookings made by affiliates.

OH&LA and our national partners will continue to address the pitfalls of an Orbitz-Expedia merger with the Department of Justice and in the media.