



October 2015 Government Affairs Update

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LOCAL ISSUES

COURT FINDS IN FAVOR OF LODGING INDUSTRY & CONSUMERS IN AVON CASE

The Court of Common Pleas of Lorain County, Ohio issued a decision on Oct. 2 in the local lodging tax case involving the City of Avon. The court found that the lodging tax enacted by Avon in late 2014 conflicts with the Ohio Revised Code and is illegal. The court declared that the additional three percent tax may not be collected by the City.

In October of 2014, the City of Avon adopted an ordinance enacting an additional lodging tax over and above the amount it was statutorily permitted to impose. After attempts by OH&LA and other entities to advise the city of the illegality of such a move, we joined the Ohio Assn. of Convention and Visitors Bureaus and the Ohio Travel Association in taking legal action to protect hoteliers and consumers against this overreach. This action took significant investment by OH&LA, but is important because it fights a bad precedent that could have been adopted by other local jurisdictions if allowed to stand.

OH&LA and our partners will continue our efforts to fight for travelers and for our industry when confronted with lodging tax overreaches and any official action which does not conform to law.

STATE ISSUES

THREE ISSUES ON NOVEMBER STATEWIDE BALLOT

Ohioans will vote on three issues on the November 2015 ballot. The Ohio Hotel & Lodging Association is opposed to Issue 3, a proposed constitutional amendment which would create a legalized monopolistic recreational marijuana industry in Ohio. It would create more marijuana stores than McDonalds or Starbucks, legalize marijuana “edibles” like candy, and will benefit a few large investors backing the issue for their own benefit. It creates too much uncertainty for hotels and lodging businesses. It is the wrong way to go about discussion on this type of public policy. OH&LA is not opposed to a reasonable alternative for medical marijuana, and would work with the business community on such a solution, but Issue 3 goes too far.

OH&LA has produced information that hoteliers and others can use to educate employees, associates and others about the details of Issue 3.

SHORT-TERM ONLINE RENTALS DRAW SCRUTINY

OH&LA, industry partners and other interested parties have gathered to examine issues related to the short-term online rental market around Ohio. As more accommodations are listed on platforms like Airbnb, consumers, neighbors and elected officials have reached out to OH&LA as the voice of the lodging industry to inquire about what standards, requirements and regulations apply to this type of commercial activity.

The priorities for Ohio's lodging industry when it comes to short-term online rentals are as follows:

1. Guest health and safety is first and foremost concern
2. Parity with other lodging properties and businesses in terms of regulation and taxation
3. Ensuring rentals do not have a negative impact on neighbors or neighborhoods

Every partner we have met with to date agrees with these principles. OH&LA is committed to working for a fair and level playing field for all entities engaged in the lodging business, and to ensuring good choices and experiences for the guests we serve.

To discuss any input, questions or developments about short-term online rentals in your area, please contact Joe Savarise at (614) 462-6462 ext. 5, or joe@oha.org.

FEDERAL ISSUES

CONGRESS KEEPS DEFENSE PER DIEM CUTS

House and Senate negotiators decided to maintain the Senate language in the National Defense Authorization Act (NDAA) which directs the GAO to study the Pentagon per diem cuts, as opposed to the House provision which would have repealed the cuts. Like all federal issues, there often isn't finality to the result, but for the most part the outcome is negative from a hotel industry perspective. The GAO would "study" the defense per diem cuts, but legislation with the study may also be vetoed. OH&LA and AHLA will continue to monitor the study phase and take action when there is opportunity. In the bigger picture, we plan to work with the local lodging councils and destination partners on going deeper on the regular per diem review process and involve key contacts at the relevant agencies for greater success.

15 MILLION ONLINE BOOKINGS AFFECTED BY DECEPTIVE WEBSITES

According to a new national study, 1 in 3 respondents are concerned about online booking scams, which affect millions of unsuspecting consumers. As many as 15 million online hotel bookings per year were affected by deceptive practices by rogue third-party online travel agency affiliates who pose as direct hotel booking sites. Get a quick summary of this issue by downloading a new infographic at <http://bit.ly/1FS7QEi>.