



January 2016 Government Affairs Update

Sponsored by:



**Contact Abbie Shook, Regional Gas Advisor for IGS Energy, at 614-659-5131
or ashook@igsenergy.com for all of your natural gas needs.**

2016 – A Look Ahead

Over the years the hotel and lodging industry has proven to be resilient through economic downturns. As incomes rise, consumer spending on travel has grown at an even faster rate and employment in the travel economy has led growth during the recent economic recovery. With 1,385 lodging properties, 125,625 hotel rooms, 33,545 lodging jobs, and \$747 million in employee wages, Ohio's hotel industry is poised to have strong growth in the years ahead. The following are seven areas of importance, in no particular order, which could positively or negatively affect the growth of 2016:

1. Online Travel Companies Fairness Legislation

OHLA will continue to work hard for the enactment of legislation that will put hotels and national online travel companies (OTC) on a level playing field, as the issue of tax parity between the state's lodging property operators and OTCs is being deliberated on in both the Ohio House of Representatives and Senate. OHLA was able to get legislation introduced in 2015 (HB 150 and SB 160) requiring OTCs to remit their full share of sales and lodging taxes and plans to continue advocating for a favorable passage.

2. Short-Term Online Rental Market (STORM)

As short-term online rentals become more popular, basic oversight may be needed to avoid negative impacts on local communities. This year OHLA is spearheading a coalition that will be developing policy initiatives to protect consumers, safeguard communities, and have short-term online rental properties competing on a level playing field as all others in the lodging industry.

3. Court Action on Illegal Local Lodging Taxes

Avon City Council enacted an ordinance in 2015 to increasing the city lodging tax from 3% to 6%, even though the existing lodging taxes already in place meant the new tax exceeded authority granted by the Ohio Revised Code. The hotel and tourism industry partners filed suit in 2015 and the court found in favor of the hotel and tourism industry last October. The city of Avon has filed an appeal to the decision and will be seeking judgment from the court this year. Although this

effort requires significant resources and energy from OHLA, we are committed to combating lodging tax maneuvers that exceed any local jurisdiction's authority and are harmful to your business.

4. 2016 Republican National Convention

The 2016 RNC will be held July 18–21, 2016, at the Quicken Loans Arena in Cleveland. This historic event will be the third time Cleveland has hosted the RNC. It will fill more than 16,000 hotel rooms, include 1,200 events booked throughout the region, draw 50,000 attendees, including many more individuals reporting, protesting or “experiencing” the event, and will bring in approximately \$400 million in economic impact. OHLA is working with the host committee chairs and industry partners to help the effort and to develop messaging that will explain our industry's contribution to the economy and to the “Ohio. find it here.” experience. Hotel and lodging professionals will be a key part of showcasing to the world the greatness of Cleveland, the region and our state.

5. Local Lodging Taxes & Destination Marketing Funds

Destination marketing plays an integral and indispensable role in the competitiveness of the local and national visitor economy. Cities that succeed as destinations are more likely to succeed in broader economic terms. Unfortunately, as local government's budgets continue to shrink, lodging taxes (increasing the lodging taxes or bed tax grabs from CVBs) are becoming the “easy answer” to fill budget gaps with disregard to the businesses they are negatively affecting.

OHLA will be taking a proactive approach in sharing important input from our industry with local governments through a collaborative process at the front end of local budget processes. We will be stressing the importance local investments to produce destination marketing which produces strong hotel and lodging businesses and greater economic returns. Well-designed marketing and promotional campaigns require upfront investments and to generate additional visitation and spending in the economy that far outweigh the initial costs.

6. OHLA State Government Affairs Committee

In the Fall of 2015, OHLA held its first OHLA State Government Affairs Committee with the intent to raise the association's stature in Ohio and produce more tangible results. This committee will be used in 2016 to expand the bandwidth of OHLA's influence in the following areas: member involvement, resources/initiative revenues, relationships, advocacy, and Political Action Committee (PAC).

The founding members are Dirk Bengal, Richard Stegman, Amar Pandey, Alan Assaf, Geri Lombard, Tom Donnelly, Tristan Haas, Susan Graves, Carroll Haman Patrick Czarny, Kathryn Burton, Dan Peterson, Ellen Grinsfelder, Scott Dring, Lee Tasseff, and Alan Howe. Committee liaison is Michael Evans, OHLA Government Affairs Representative.

7. Hotel Government Affairs Team is Expanding

OHLA and Ohio's hotel and lodging properties have benefited for years from the energetic and capable representation of lobbyist Michael Evans. Through a strategic alliance between Michael and a leading firm in Columbus starting January 2016, OHLA's lobbying team expands to include even more muscle for our industry. Capitol Advocates is a firm with 70 years of collective

expertise in and around state government. They have already played a key role in helping advance OHLA's online travel company tax fairness legislation. Dan Leite, Kurt Leib, Keith Brooks and Courtney Saunders have an extensive network of contacts in the state legislature and key state agencies. These relationships will help OHLA navigate the complex world of state government. Working closely with Michael, Kurt Leib will be OHLA's lead contact within Capitol Advocates. His primary expertise is in the areas of utility policy, taxation issues, budget and finance policy, retail and other business issues.

A native of Circleville, Ohio, Leib graduated from Ohio State University with a Bachelor's Degree in Journalism. Before completing college, Leib was already building experience around Capitol Square as an intern in the Statehouse Bureau of the Dayton Daily News. He was also Statehouse Bureau Chief for United Press International as well as a long-time staff writer for the highly respected Ohio Report, published by Gongwer News Service.