

OHLA Continues Fight for Online Travel Company Tax Parity

[OHLA continues the fight for tax parity with out-of-state online travel companies](#) that remit only a portion of the tax for the sale of hotel accommodations. House Bill 571 sponsored by Rep. Dave Greenspan (R-Westlake) is a vital step in producing positive outcomes for Ohio's travel economy. It requires all entities selling hotel accommodations to remit the tax they collect at the full rate for the price the consumer pays for their room. In response to efforts to eliminate this unfair loophole, opponents falsely claim that the bill requires a tax increase or would increase the cost for consumers. HB 571 contains neither a new tax, nor an increase in the tax rate. The taxes in question have been applied to hotel rooms for decades. Ohio's hotels already pay these taxes fully, even when those transactions take place on the hotel's own booking website. The bill would require OTCs to operate like any other seller of goods and collect and remit sales tax on the price paid by the consumer.

Recently, the Supreme Court in Colorado made that state one of the latest to recognize that OTCs owed millions in hotel room taxes. On April 24, 2017, the court stated online booking companies failed to remit the right amount of lodging tax, because they sell hotel rooms to consumers.

HB 571 is pending in the Ohio House of Representatives.

Short-term Rentals / Airbnb

[OHLA continues to work with local governments to help promote reasonable and workable oversight](#) of short-term online rentals. Cincinnati became the latest when its City Council announced intentions to consider a proposed ordinance for short-term rentals in that city. OHLA and its local partner Cincinnati Hotel Association have met with members of council to discuss the specifics of the legislation and propose the inclusion of priorities for the hotel & lodging industry.

The draft Cincinnati ordinance was proposed by City Council Member David Mann. It is designed to help mitigate the negative impact of short-term rentals on rental rates and availability of housing stock. The ordinance would regulate the renting of "entire dwelling units," i.e. entire apartments or houses, as opposed to traditional "home sharing" of a bed or a room in an owner-occupied dwelling. It applies to rentals of less than 30 days, limits short-term rentals to 90 days or fewer each calendar year, requires licensure and annual renewal to allow rentals, makes rented units subject to inspection, and requires the collection and remittance of lodging tax.

Deliberations will continue on the draft language with opportunities for input from the industry and others for several weeks.

Hotels Support Sports Event Grant Fund

On March 20, OHLA Executive Director Joe Savarise testified in support of HB 531 co-sponsored by Rep. Kirk Schuring (R-Canton) and Rep. Dave Greenspan (R-Westlake), which would assist efforts to land major national and international sporting events, such as All-Star games, tournaments and other opportunities that bring large numbers of visitors from around the country into Ohio.

HB 531 would create a permanent Sports Event Grant Fund within Ohio's Development Services Agency. This long-term funding mechanism would contribute half of the incremental state sales tax increase attributable to a qualifying event to the grant fund. Grants would then be made from the fund to fulfill a portion of the obligations required by a site selection organization. The State of Ohio would continue to receive half of the increase in state sales tax.

The current funding model is a challenge to securing future business, because there is no assurance that the program will be funded (and therefore support available) beyond that short time-frame. Our destination marketing and event partners around the state are already bidding on events far into the future -- as far off as 2025. In our business, this type of lead time is typical and is necessary to generate new business. Ohio competes with 34 other states that offer similar incentives to attract this business.

HB 531 is currently pending in the Ohio House Government Accountability and Oversight Committee.

OHLA Supports Franchise Protections

OHLA lobbyist and government affairs representative Michael Evans provided testimony on March 13 in support of legislation that bolsters protections for franchise business operators in Ohio. House Bill 494, sponsored by Rep. Niraj Antani (R-Miamisburg) codifies the traditional joint employer standard of "direct and immediate control" for state law purposes and protects hotel businesses in Ohio from certain joint employment claims. HB 494 makes clear the franchisee is the owner of the business and the ultimate employer of any individuals who work in that business.

With attacks on the franchise model at the federal level upsetting the traditional arrangements in these types of businesses, efforts to support franchise owner/operators are critical to the hotel and lodging industry. HB 494, while not a cure-all, is a welcome step at the state level that is endorsed by the International Franchise Association.

HB 494 is pending in the Ohio House Government Accountability & Oversight Committee.

OHLA Opposes Proposed Move to "No-Money Bail"

As part of the organization's focus on "Championing Safety and Security," and its involvement in efforts to fight human trafficking, OHLA delivered opposition testimony regarding House Bill 439 on March 20. This measure would eliminate cash bail for certain criminal offenders.

Our anti-trafficking efforts rely heavily on making lasting and meaningful connections within the law enforcement community. Anti-trafficking experts who work in the field every day have shared real-world experiences about the difficulties in making sure that perpetrators of this crime are tracked and held accountable. The use of false identities, failure to appear in court, and other challenges are concerning to us as we attempt to fight trafficking.

HB 439 could make it easier for accused criminals to avoid facing their day in court and ultimately, being brought to justice. By asking these individuals to simply promise to appear, without any real incentive to do so, it could make the jobs of those who work to bring offenders to justice that much harder -- and move anti-trafficking efforts backward, rather than forward.

The legislation is currently pending in the Ohio House Criminal Justice Committee.

Capital Budget Includes Support for Historic Preservation and Tourism Job Development

On March 30, Governor John Kasich signed into law a capital budget approved by Ohio General Assembly. House Bill 529, introduced by Rep. Scott Ryan (R-Granville Township) is a \$2.6 billion two-year improvements budget designed to invest money into local projects.

A portion of the capital budget has been targeted to support economic development projects of local or regional importance pertaining to historic preservation and tourism job development.

The measure also provides nearly \$600 million for building new schools, \$483 million for colleges and universities, and \$20 million targeted at addressing Ohio's opioid addiction crisis.

[Projects are reported by county on a summary available for download here.](#)