

## General Assembly Works on Key Legislation in Busiest Period of Session

As the month of March drew to a close, lawmakers continued work on Ohio's large and complex biennial budget bill. This 4,000-page piece of legislation determines how the state government spends the bulk of its revenue for the next two fiscal years. It also serves as the major public policy vehicle, as provisions in the bill can impact everything from education to taxation, from economic development to stadiums.



OHLA is working on a number of key provisions in **House Bill 96, the Biennial Appropriations Bill:**

**Tax Abatement Flexibility** – [OHLA is working to build support](#) for an amendment that would allow municipalities to extend a tax exemption to a hotel for up to 15 years past the current statutory 15-year maximum. Under current law, hotels that are profitable during the 15-year abatement may become unprofitable as soon as the abatement expires. Those hotel owners are disincentivized from building new hotels and from making renovations and improvements near the end of the abatement and may be forced to shut down entirely. Granting permissive authority to the local taxing authority allows these partners to make the responsible fiscal decision for their community.

**Ohio Motion Picture Tax Credit** – OHLA is actively supporting efforts to expand the amount available for this fund, based on specific details regarding business produced by the program and loss of opportunities due to the current cap. [This recap shows the direct business impact](#) in just one market, Cleveland. Film and television production produced 31,000 room nights in just 2024.

**TourismOhio Funding** – In official testimony, State Tourism Director Sarah Wickham touted the successes of the state agency responsible for promoting Ohio as a great place to visit, work, and live. But TourismOhio and its parent agency, the Department of Development, are not calling for additional funding in the budget, however, the House has proposed increasing the current \$7.5 million a year to \$10M in FY 2026 and \$12M in FY 2027.

**Resort Area Tax** – OHLA was successful in helping to avoid an additional lodging tax for public safety services in jurisdictions with resort area designation, instead supporting an amendment that would spread the cost more evenly and fairly among different types of businesses that would benefit, by allowing increases in tax on sales for this purpose.

**Transformational Sports Mixed Use Development District** - An amendment to the budget would include \$600 million in bonding as the state's contribution of funding for the Browns' Brook Park development. This approach differs from Governor DeWine's proposal to use an increase in gambling tax to create a sports facilities fund that could benefit more teams and projects. Of concern to hotels is that [the team's initial proposal](#) included an additional countywide lodging tax.

The House of Representatives adopted a Substitute version of the appropriations bill on April 1 and will accept an omnibus version of amendments on April 8, with a vote on the bill scheduled for April 9. After that, the bill will undergo hearings in the Senate, with a constitutional deadline for final enactment on June 30.

## **Other Important Legislation for the Hotel & Lodging Industry**

### **House Bill 161 - Tax Parity for Short-Term Rental Businesses**

An alternative to legislation supported by Airbnb has emerged as a consensus approach supported by most of the travel economy associations. This bill will apply both sales tax (levied at the state and county level) and lodging tax (levied at the local level) to short-term rental businesses. To create true parity, it is important to include both sales and lodging taxes, as hotels collect and remit currently. The bill also avoids preemption of local regulations, which is opposed by local governments and many others. (Pending in House Development Committee.)

### **Senate Bill 104/House Bill 109 - Preemption of some short-term rental regulations and limited tax provisions**

These bills take a different approach to short-term rentals by including a limitation on some forms of regulation, specifically preemption of the limitation or banning of short-term rental businesses by local communities. This is a fundamental change to Ohio's home rule system of government that is opposed by local government associations and many convention & visitors bureaus. Even more important to our industry – [as pointed out in testimony submitted by OHLA](#) – the bills fall short in addressing taxation by not ensuring that sales tax is collected and remitted and not changing the definition of properties required to do so to include as few as one room. This is essential in applying the tax to short-term rentals. (S.B. 104 Pending in Senate Local Government Committee, H.B. 109 Pending in House Development Committee.)

### **Pending Introduction - Juvenile Justice Legislation**

OHLA supports legislation to address increases in crime that are specifically impacting hotels. One proposal is to amend section 2152.19 of the Ohio Revised Code regarding disposition orders for juvenile courts. This legislation would require that if there are three or more offences by a juvenile regarding vandalism or theft which if tried as an adult would be an F-5 felony offense, the judge shall, at a minimum, administer a punishment. The judge would be required to take the severity of the repeat offences into account while considering the punishment. This can assist our initiative to seek penalties that are commensurate with crimes being committed that are costing direct expense, lost business, and reputational damage for hotels and destinations. Our strategy will include other proposals to aggregate offenses that are considered minor by the juvenile courts into larger, combined offenses.

### **House Bill 138 - Tourism Tax Districts**

This legislation would create a new structure specifically for adding an additional tax on hotel & lodging stays in Ohio. Concerns that have been raised are adding to the total tax burden, which is

among the highest in the nation, impacts on competitiveness in certain circumstances, further depression of rate, and a mechanism which compels hotel businesses that don't wish to participate in a district to do so. Depending on the true purpose of such legislation, alternatives may be available that could produce even more funding than a scheme that risks dividing the industry, communities, and businesses. (Pending in House Arts, Athletics, and Tourism Committee.)

### **House Bill 54 – State Transportation Budget**

Included in this legislation is language requiring the Ohio Department of Transportation and the Ohio Turnpike & Infrastructure Commission to collaborate on developing a plan to connect US 23 to I-71. The agencies are required to submit a plan to the legislature by October 1. Improving the corridor between central and northwest Ohio is an important economic development priority for OHLA. The step taken in the transportation budget is important because it is not another study but a plan to create a free-flow connection between these regions. OHLA is part of a coalition of dozens of business and economic groups that gave their support and shared their stories about the economic impact of improving this transportation corridor. (Signed by the Governor.)

### **Senate Bill 43 - Repeal Convention Facilities Authority Tax**

This legislation would repeal a voter-approved lodging tax for the Convention Facilities Authority in Ashtabula County, in part because the State of Ohio retired the debt for the State Park Lodge there. Discussion of changes to the CFA tax have potential implications for other such authorities across the state and the potential division of lodging tax funding from its intended purposes. (Pending in Senate Ways and Means Committee.)

### **Senate Bill 33 - Modernization of Labor Notices**

This measure provides a long-overdue update to laws requiring employment law notices and their posting. It allows electronic delivery and is a common-sense measure to help eliminate unnecessary costs and red tape. (Passed Senate, pending in House Commerce & Labor Committee.)

### **Senate Bill 50 - Work Hours for Individuals Under 16 Years of Age**

S.B. 50 provides more flexibility for young employees and the businesses that employ them, with the approval of the minor employee's parent or legal guardian. It allows 14 and 15-year-old employees to work between 7:00 and 9:00 p.m. at any time of year. This provides some lodging and travel economy businesses to provide more opportunities for youth and address staffing needs. (Pending in Senate Workforce Development Committee.)

### **Senate Bill 11 - Non-compete and non-solicitation agreements**

This attempt to ban non-compete agreements outright is an unnecessary intrusion on the employer-employee relationship, since Ohio law and prior court decisions already take the interest of employees into account. Non-compete agreements are only enforceable if they do not pose an undue hardship for the employee. Some hotel ownership and management companies use these instruments, and OHLA opposes banning them. (Pending in Senate Judiciary Committee.)

## OHLA Advocacy Addresses Local Crime Issues

A group of 24 hotel industry representatives participated in a meeting in Columbus with key city officials to share the impact of a growing type of criminal activity that disproportionately affects hotels.

A top priority for OHLA is addressing issues of safety and security, including the increase in frequency and severity of auto break-ins and thefts plaguing clusters of hotels in some urban areas. In the Columbus market, it has become noticeably worse – and violent – beginning in late 2024 and into this year.

OHLA invited central Ohio hotels to a meeting to discuss the problem and asked hotels to share data and input to help us create a report to educate external audiences. In this sampling of just 32 hotels in the Columbus market, the topline findings included:

- Data provided by these hotels show **959 separate incidents of break-ins, thefts, and vandalism since June 2024.**
- Numerous individual hotels suffered between 30 and 60 incidents in that time frame and two hotels reported more than 100 incidents.
- Nearly **300 examples of negative guest comments** during this period were shared, reflecting the perception of the city as unsafe.
- Many hotels report **guns** as items being targeted for theft.
- Hotels reported more than **\$1.25 million in direct annual security & safety expenses** related to the problem and nearly **\$1 million in lost revenue.**
- Hotels consistently reported increased and continuing security measures but cannot solve the problem of organized criminal activity on their own.

In a meeting at City Hall on March 31, officials including the mayor's Chief of Staff Elon Simms, the Public Safety Director Kate Pishotti, the chair of City Council's Public Safety Committee Emmanuel Remy, Division of Police Assistant Chief Gregory Bodker, Commander Scott Evers, and others invited input from hoteliers on their experiences and shared information on various responses from the to date.

OHLA reiterated the need for an elevated response while also pursuing changes to statutes regarding related criminal offenses and calling for policy changes at the juvenile court level. City officials indicated their desire to work together on the problem, including changes in how juvenile courts treat offenders.

OHLA produced a report for elected officials, community partners, and others with the impact numbers, samples of guest comments, and more information. To receive a copy of this printed item, send your address information to [joe@ohla.org](mailto:joe@ohla.org).

