

## Village of Fairfax

5903 Hawthorne Ave. Fairfax, Ohio 45227 Office: 513-527-6505



The Honorable Thomas West The Honorable Ron Young Ohio House of Representatives 77 South High Street Columbus, OH 43215 April 13, 2017

RE: HB 177

Dear Rep. West and Rep. Young:

I am writing you as Mayor of the Village of Fairfax to express my concern about House Bill 177, which would exempt non-profit fitness centers from charging sales tax on memberships. It is our position that any effort to repeal sales tax on gym memberships be applied to all fitness facilities, including for-profit health clubs.

In 2012, the Village of Fairfax identified the need to encourage its residents to exercise and live a healthy and active lifestyle. With the fiscal challenges faced by local governments as a result of the great recession and revenue sharing changes at the state level, we had limited resources to address this issue. As Village Mayor, I led an effort for Fairfax to enter into a creative public private partnership with the Cincinnati Sports Club. The Cincinnati Sports Club (CSC) is a nationally recognized Health Club that has a three-fold approach to health and wellness: one part fitness activities, one part medical services, and one part social events.

Working with CSC, we were able to structure an agreement that saved the Village the cost of constructing and maintaining its own Rec Center. Conservatively, we believe our annual savings exceed \$250,000 per year. We were able to negotiate special membership pricing for our residents that is less than half the regular membership fees and is in line with the fees charged by community Rec Centers in the Cincinnati market.

Our residents now enjoy access to a truly outstanding club. We went from a handful of our residents being a member of a health club to now 30% of our residents actively engaged in fitness.

In 2016, I proposed extending our partnership with the Cincinnati Sports Club until 2038 and it was approved unanimously by our Council.

I believe House Bill 177 unfairly taxes the residents of Fairfax. Please do not penalize your constituents who choose to exercise at a facility that has created a mutually beneficial partnership to provide greater access, and yet just happens to operate as a for-profit entity.

We respectfully request that any move to exempt fitness and sports club memberships from the state sales tax include both for-profit and non-profit fitness centers.

Thank you for your consideration. We welcome any comments and questions you might have.

Sincerely,

Carson Shelton,

Mayor

cc: The Honorable Thomas E. Brinkman, Jr, Ohio Representative

The Honorable Louis Blessing III, Ohio Representative

The Honorable Brigid Kelly, Ohio Representative

The Honorable Shannon Jones, Ohio Senate

The Honorable Bill Seitz, Ohio Senate

The Honorable Cecil Thomas, Ohio Senate

The Honorable Steve Wilson, Ohio Senate

Bob Reed, Ohio House of Representatives

Steven Hix, Ohio House of Representatives

Jennifer Kaminer, Village of Fairfax Administrator

Tom Fiorini, Cincinnati Sports Club President & CEO