



## **OHIO TOWNSHIP ASSOCIATION**

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### **HB 563 – Short-Term Rentals**

#### **Opponent Testimony**

**March 9, 2022**

#### **House State and Local Government Committee**

Good afternoon Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the House State and Local Government Committee. My name is Marisa Myers, and I am the Director of Governmental Affairs for the Ohio Township Association. On behalf of the Ohio Township Association (OTA), I appreciate the opportunity to testify as an opponent of House Bill 563, which limits local regulation of short-term rental properties.

Local zoning is how communities control land use and ensure complimentary development. It helps communities plan and has served townships for the past 75 years. For townships, the issue of short-term rental regulation is, at its core, a zoning issue.

House Bill 563 restricts local governments from prohibiting short-term rental properties within their community. It also prohibits a local government from regulating short-term rental properties, specifically the number, duration, or frequency of rental periods. This essentially usurps township zoning regulations that may be put into place regarding these uses. It's important to note that zoning itself is a collaborative process with the community and must be approved by residents.

A township that has restricted short-term rentals in, for example, residentially zoned areas may have their zoning resolutions upended by this bill. This undermines their authority to plan their communities and forces the township to allow short-term rentals in areas that would be prone to complaints.

Additionally, there are issues not specifically addressed by the bill that are worth considering, primarily around taxation. Under current law, hotels (or their transient guests) may be required to pay a lodging tax. Since short-term rentals are operating as an alternative to hotels, the OTA respectfully requests that the Committee consider clarifying that lodging taxes apply here too. Further, if lodging taxes do apply, the Committee may consider how communities are able to collect these dollars. Townships, in particular, are not permitted to register short-term rentals outside of zoning requirements (for example, through conditional use permits). Unless there is a mechanism to register these properties, it's unlikely a local community would be able to enforce collection of required lodging taxes.

The issue of short-term rentals is not as simple as whether to allow them or not. For many townships, it's about where they're located and what makes the most sense for the community. And that should be a purely local decision.

For these reasons, the Ohio Township Association is very concerned about the impact of House Bill 563, and we encourage opposition to the bill as currently written. Mr. Chairman, thank you for the opportunity to testify this afternoon. I would be happy to answer any questions you or the committee members may have.