



Testimony of Andrew W. Herf
Executive Director, Ohio Association of Convention and Visitor Bureaus
before the
Ohio House Arts, Athletics & Tourism Committee

Chair Miller, Vice Chair Hiner, Ranking Member Jarrels and members of the Ohio House Arts, Athletics & Tourism Committee, thank you for the opportunity to testify before you today.

My name is Andy Herf and I represent the Ohio Association of Convention and Visitor Bureaus. In Ohio, a Convention and Visitors Bureau (CVB) is the same thing as a Destination Marketing Organization, or DMO. The two terms are interchangeable.

Ohio currently has over 80 CVBs that range in size from large organizations like Experience Columbus to smaller CVBs such as Visit Ashland and the Holmes County Tourism Bureau. They also market different experiences. Experience Columbus markets everything from Ohio State University events, concerts and Columbus' professional sports team to large conventions such as the Arnold Classic and the All American Quarter Horse Congress. Holmes County markets experiences in Amish country. All of the CVBs in Ohio market lodging, dining, entertainment and attractions in their areas, which is why the Ohio Hotel and Lodging Association, Ohio Travel Association and the Ohio Restaurant Association are such important industry partners to the OACVB.

To market all of these different opportunities in a particular area, CVBs need funding, which comes from lodging taxes. Lodging taxes, or bed taxes are collected and remitted by hotels, motels and in some jurisdictions short-term rentals across the state. The taxes may be assessed at the municipal, township or county level. Originally established in the 1960's for cities and townships, and expanded in the 1980's for counties, the revised code mandates that a share of the funding goes to the CVB. I have included a chart that shows some of the more common combinations of taxes and which code sections enacted them.

Because a CVB's funding is directly tied to the lodging tax, a positive feedback loop is created. If the CVB markets that area well and attracts visitors, then the hotels fill up. CVBs are often the catalyst to build additional lodging options, which leads to more revenue, more jobs and an expanded tax base including lodging taxes as well as employment taxes and sales taxes. At their core, CVBs are economic drivers in their areas. In fact, the lodging tax is the only tax that expands when it is applied properly.

With regard to governance, CVB boards are made up of representatives from local governments and the tourism industry. A typical board may have a County Commissioner, Township Trustee, City Council member or development representatives. They also include hoteliers, restaurateurs, attractions and other individuals in the community. Because CVBs are mostly spending tax dollars, it is important that they have oversight and

controls in place to protect taxpayer dollars. Local oversight comes in the form of elected officials or other local employees who serve on the board. Each CVB is also audited by the State Auditor, and the results of each audit appear on the State Auditor's website which provides transparency for the public.

Thank you for allowing me a few minutes to explain what a Convention and Visitors Bureau is, how they support local economies and how they are funded. I am happy to answer any questions you may have.

**COMBINATIONS OF BASIC LODGING TAXES
WITH EXAMPLES OF DISTRIBUTIONS TO CVB'S**

Scenario # 1	Scenario # 2	Scenario # 3	Scenario # 4	Scenario # 5
The 1967 City Township / Village tax may stand alone	The 1980 County tax may stand alone Note: A 1994 revision provides that a county tax may be levied in any area of the county providing that the 1980 City / Township / Village tax has not been enacted in that particular location.	The 1980 City Township / Village tax may stand alone	A Combination of the 1967 City Township / Village tax and the 1980 County tax may co-exist	A Combination of the 1967 and 1980 City Township / Village taxes may co-exist
Up to 3% CITY / TOWNSHIP or VILLAGE 1967 ORC 5739.02(C)(1) or ORC 505.56	Up to 3% COUNTY 1980 ORC 5739.024(A) or ORC 5739.02(C)(3)	Up to 3% CITY / TOWNSHIP or VILLAGE 1980 ORC 5739.02(C)(2) or ORC 5739.024(B)	Up to 3% COUNTY 1980 ORC 5739.02(A) or ORC 5739.024(C)(3) Mandated to CVB 66%	Up to 3% CITY / TOWNSHIP or VILLAGE 1980 ORC 5739.02(C)(2) or ORC 5739.024(B) Mandated to CVB 50%
Mandated to CVB 0%	Mandated to CVB 66%	Mandated to CVB 50%	Mandated to CVB 0%	Mandated to CVB 0%
Distribution Example 3% total tax	Distribution Example 3% total tax	Distribution Example 3% total tax	Distribution Example of this Combination 6% total tax	Distribution Example of this Combination 6% total tax
MINIMUM CVB SHARE IS: 0% of total collections	MINIMUM CVB SHARE IS: 66%-99% of total collections	MINIMUM CVB SHARE IS: 50% of total collections	MINIMUM CVB SHARE IS: 50% of total collections	MINIMUM CVB SHARE IS: 25% of total collections

Note: This chart shows combinations of "basic lodging taxes." It does not include special lodging taxes for specific purposes such as a Convention Center, Halls of Fame, etc. No combination of these basic lodging taxes can exceed 6%.