



OHIO HOTEL & LODGING ASSOCIATION  
175 S. THIRD ST. SUITE 170  
COLUMBUS, OH 43215  
P: (614) 461-6462

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**Testimony to the Ohio House Arts, Athletics, and Tourism Committee**

**May 6, 2025**

Joe Savarise, President & CEO ▪ Ohio Hotel & Lodging Association

Chair Miller, Vice Chair Hiner, Ranking Member Jarrells, and members of the House Arts, Athletics, and Tourism Committee, thank you for the opportunity to provide testimony on behalf of the Ohio Hotel & Lodging Association (OHLA) and the tens of thousands of hotel and lodging owners, operators, managers, and employees we represent across the state, as well as hundreds of companies that make brick-and-mortar investments and provide jobs in Ohio communities.

Our industry and our organization include lodging businesses of all sizes, from the largest hotels to unique properties that are part of the short-term rental market. Ohio is home to more than 1,600 licensed and active hotel properties providing more than 142,000 rooms to guests across the state. The lodging industry employs more than 36,000 people directly, creates 184,000 hotel-related jobs, produces \$1.5 million in employee wages and serves as an integral part of Ohio's vital travel economy. Hotels produce \$40 billion in total business sales annually in our state, and support \$4.2 billion in taxes. The investment our state makes in travel and tourism marketing pays real dividends.

Many of the hotel businesses in Ohio that produce this economic activity are franchised operations. Hotels flying a national brand flag are in the vast majority of instances not owned and operated by those brands, but by small-to-medium sized local and regional companies. Many of those enterprises are family-owned and operated. These businesses have strong ties to, and a vested interest in, their communities.

Those who lead these businesses most often came up through the ranks. The hotel industry provides one of the most upwardly mobile paths to prosperity for associates in every position. Our own annual awards program is full of personal stories such as individuals who have started in roles such as housekeeping and within a few years have been recognized as General Manager of the Year.

98 percent of hotels offer benefits to employees including medical, dental, vision, and life coverages; continuing education support, and other forms of employee assistance. More than half of department managers in hotel and lodging businesses started in hourly entry-level positions. 79 percent of hotel associates rated their job satisfaction as above average. And since the pandemic, our labor costs have risen to all-time highs, while total employment numbers have declined.

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That means hotel and lodging employees are making more than ever. I don't know firsthand of a member that can pay minimum wage and remain competitive for new employees. As a result, some hourly entry-level jobs in hotels in the larger markets are approaching \$25 per hour.

Hotels and lodging businesses are a key part our state and local economic development infrastructure. It isn't just travelers from afar who use accommodations – local businesses and employers do as well, and are an important part of our service. Hotels provide meeting spaces, banquet facilities, and other amenities in communities of all sizes.

Hotels provide a direct revenue source to the state through sales tax and local governments through sales and lodging taxes. They contribute in an outsized way to the services and infrastructure that benefit their entire communities.

Hotels also play an important part in the critical economic development activity of destination marketing. It is the hotel and lodging businesses selling transient accommodations – stays of less than 30 days – who collect and remit the local lodging taxes that fund the work done by our local convention and visitors bureaus. And while other enterprises and sectors benefit from those marketing efforts, it is only hotels who pay these taxes. That's why it is hotels who should have the say about how those taxes are used – and why the current lodging tax model needs to retain the protections that make it work.

Ohio currently has some of the highest tax rates at checkout for hotel stays in the entire country. The majority of our destinations tax hotels at a higher rate than marquee travel markets such as New York, Los Angeles, Miami, Orlando, Chicago Nashville, Branson, Las Vegas and Phoenix. Our highest tax rates on hotels have reached 18 and 19.3 percent in two of our largest cities. This can make us less competitive and also depresses room rates, artificially lowering hotel returns and making new hotel investment less attractive. There just isn't room for higher taxes on hotels in Ohio. We need to focus on tax parity and fairness, so that everyone selling the product of transient accommodations to guests contributes.

That's why we need to work together on behalf of the travel economy, look beyond narrow interests looking to add new taxes, and protect the current lodging tax model which has served us well for decades.

This is what will keep us competitive, allow more hotel development in all areas of the state, and continue the mix of revenue for services and infrastructure and destination marketing.

Thank you for your time and thoughtful consideration.

  
**Joe Savarise, CTA, CHIA, IOM**  
President & CEO  
Ohio Hotel & Lodging Association