

**Ohio House Development Committee  
House Bill 161- Proponent Testimony  
Submitted by Larry Fletcher, President, Shores & Islands Ohio  
April 30, 2025**

Chair Hoops, Vice-Chair Lorenz, Ranking Member Abdullahi, and all members of the House Development Committee,

I am submitting this testimony on behalf of the Boards of Trustees of the Erie County Visitors & Convention Bureau, the Ottawa County Visitors Bureau, and Shores & Islands Ohio in support of House Bill 161.

Shores & Islands Ohio is both the name of the marketing partnership between Erie and Ottawa County, and the region of Ohio our organization has the pleasure of promoting. This is one of the most popular tourism destinations in the Midwest with over 13 million annual visits that generate \$3.1 billion in economic impact. Our region's tourism industry supports over 15,000 jobs and contributes \$382.6 million in tax revenue, \$106.3 million of which is state taxes.

*(Tourism Economics: The Ohio Visitor Economy 2023).*

This robust level of visitation requires a large inventory of lodging options, and we satisfy that demand with 7,200 hotel rooms, 230 bed & breakfast rooms, over 3,000 campground sites, and 347 short-term rental (STR) properties representing 1,761 individual rooms.

All properties with five or more rooms collect and remit county lodging tax as required by the O.R.C. Through Erie and Ottawa County regulations, all other transient rental units also collect and remit these taxes. Furthermore, many cities, villages, and townships in our region have passed lodging tax legislation that extends lodging tax to all transient rentals. Our organization's ability to promote the region at a high level is supported by the county lodging tax and the municipalities benefit from their local collections.

While there is parity between hotels and STRs in our region regarding lodging tax, this is not the case in all Ohio municipalities, and currently, it is not possible for the state or any county in Ohio to apply sales taxes to STR stays. As our region already benefits from the extension of lodging tax to STRs, my focus today is on the sales tax issue.

Our organization and our region's hoteliers see this as a fundamental disparity that HB 161 seeks to remedy. Since STRs engage in the same activity as hotels, they should collect and remit the same taxes.

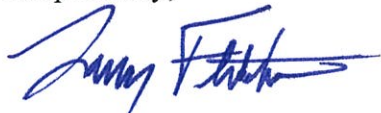
In fact, it is often a competitive advantage for an STR property or even a four-room bed & breakfast to be exempt from adding sales tax to the room nights. Consider for example a house in Ottawa County that rents for \$5,000 over a summer weekend. With a total sales tax rate of 7%, the party staying in that house would pay \$350 less than if they stayed in a block of hotel rooms.

Leveling the playing field not only creates parity, it also generates tax revenue for the state and local municipalities. Based on 2024 data, Erie County would have received \$218,408 and the state \$1,255,846. In Ottawa County those figures are \$176,236 and \$810,687.

As this is NOT a new tax, but simply extending an existing tax on transient lodging to all room types, the Shores & Islands Ohio organization is firmly in support of HB 161.

Thank you for the opportunity to present testimony today and I would be happy to answer any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Larry Fletcher", with a stylized flourish at the end.

Larry Fletcher  
President/CEO, Shores & Islands Ohio