



OHIO HOTEL & LODGING ASSOCIATION
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Testimony to the House Development Committee for H.B. 161

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Chairman Hoops, Vice Chair Lorenz, Ranking Member Abdullah, and members of the House Development Committee, thank you for the opportunity to provide testimony in support of House Bill 161 on behalf of the Ohio Hotel & Lodging Association (OHLA) and the tens of thousands of hotel 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 expanding short-term rental market. We appreciate the General Assembly's attention to this growing part of our state's travel economy and the potential impact on local communities. We have consistently advocated for a level playing field for the taxation of any form of transient accommodations, including short-term rentals.

House Bill 161 takes an essential step toward tax parity, clarity, and fairness in how our state treats lodging providers—both traditional hotels and short-term rental operators. With the proliferation of platforms facilitating single-room and multi-room short-term rentals, these have become fully commercial lodging enterprises, but they are often not subject to the same tax obligations as traditional hotels.

This bill's language addresses the need to align taxation policies to ensure a level playing field between traditional lodging providers and short-term rental operators. Applying sales and lodging taxes uniformly will correct our current market imbalances and stop the loss of critical revenue streams for local governments and local convention and visitors bureaus.

Additionally, OHLA supports the bill's approach to creating a consistent threshold for taxation based on the number of rooms. Under existing law, a hotel is defined as an establishment with five or more rooms – while local political subdivisions can pass ordinances/resolutions to take this collection down to one room. This provision, once intended to protect small rural bed-and-breakfasts, is now a loophole regularly exploited by commercial short-term rental operators using online platforms. We believe that the adjustment of this definition at the state level to include one or more rooms for the purposes of taxation ensures clarity, fairness and consistency in the application of lodging taxes. It is simple, fair, and enforceable.

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Collection and remission by the platforms facilitating rentals will aid local governments in implementing workable mechanisms to ensure compliance.

Tax parity matters because hotel and lodging businesses already pay their fair share, including state and local sales tax, county lodging taxes, and municipal or township lodging taxes. In calendar year 2022, the most recent available from the Ohio Department of Taxation, lodging taxes alone totaled \$268,549,470 across the entire state. By the end of 2025, that number will be nearer \$300 million.

But short-term rentals have not been a consistent contributor to this amount, even as the market grows. Cleveland hosts more than 1,860 short-term rental listings, averaging as high as \$161 per night. Columbus hosts more than 1,700 listings, up nearly 1,000 from 2021. The Logan area in Hocking Hills boasts more than 1,130 listings, generating up to \$56,000 per unit annually. In small communities from Powell to Napoleon to Chardon, short-term rentals are gaining ground, with occupancy rates and revenue streams that can rival small hotels.

These businesses should contribute to the travel and tourism promotion conducted by their local CVBs and to infrastructure efforts which benefit them – just as other hotel and lodging businesses already do.

In recent years, we've seen more pressure for lodging tax revenues to be diverted to uses that do not produce more travel spending, eroding the very purpose of the tax and weakening Ohio's competitive edge. There are also efforts to increase or create new taxes on hotels. This bill will help ensure that more visitor-generated dollars go back into the system that brings them to Ohio, without making us less competitive as a destination.

That's how our state grows tourism, increases overnight stays, and multiplies economic returns for small businesses, attractions, and communities. This legislation reflects what modern travelers expect and what modern business demands: fairness, accountability, and reinvestment.

On behalf of the Ohio Hotel & Lodging Association and our members across the state, I respectfully urge your support for House Bill 161. Thank you for your time and thoughtful consideration.



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