

Opposition to House Bill 161

Written Testimony – Ohio House Development Committee

The Honorable James Hoops
Chair, Ohio House Committee on Development
77 South High Street
Columbus, Ohio

March 17, 2026

RE: Opposition to House Bill 161

Chairman Hoops, Vice Chair Lorenz, Ranking Member Brownlee, and members of the House Development Committee —

Thank you for the opportunity to submit written testimony regarding House Bill 161.

My name is Michael Clifford, and I am the founder of TLX (Traveluxe), a professional short-term rental management company based in Northeast Ohio. TLX currently manages 22 short-term rental properties, primarily in the Cleveland area, serving thousands of visitors each year who travel to our region for medical care, tourism, family gatherings, and business travel.

Through our work, we see firsthand how short-term rentals support Ohio's tourism economy and local small businesses. Cleveland attracts millions of visitors annually due to institutions like the Cleveland Clinic, professional sports teams including the Browns, Cavaliers, and Guardians, as well as concerts, conventions, and cultural attractions throughout the region.

A large number of our guests travel to Cleveland for medical care at the Cleveland Clinic and other hospital systems, often staying for extended periods while supporting loved ones undergoing treatment. Short-term rentals provide these families with a more comfortable and flexible housing option than traditional hotels.

Importantly, many guests using short-term rentals in Ohio are Ohio residents traveling within the state. We frequently host guests from Columbus, Cincinnati, Dayton, and other communities who travel to Northeast Ohio for sporting events, graduations, weddings, and family visits.

In many communities throughout Northeast Ohio — especially suburbs and neighborhoods where hotels do not exist — short-term rentals provide one of the only lodging options available for visitors. Responsible operators also help direct tourism spending into neighborhood businesses by recommending local restaurants, coffee shops, retail stores, and attractions to our guests.

Short-term rentals already generate significant tax revenue for the state. On just one major booking platform alone, short-term rentals generated more than \$270 million in tax revenue in Ohio last year, before accounting for activity on other platforms.

Beyond tax revenue, professionally managed short-term rentals support a network of local workers and small businesses. Our company works with cleaners, maintenance technicians, landscapers, contractors, and other service providers throughout Northeast Ohio, helping create consistent work opportunities connected to tourism.

While I appreciate the legislature's goal of creating a statewide framework for short-term rentals, several elements of House Bill 161 raise concerns.

Centralized tax collection

If the state intends to expand tax collection through short-term rental platforms, it would be beneficial to create a centralized statewide system for collecting and administering these taxes. Ohio currently has hundreds of local tax jurisdictions with different rules and rates, creating a complex compliance environment for operators. A centralized system would make tax compliance easier while ensuring consistent and transparent tax collection across the state.

Uneven and excessive tax burdens

Under the structure outlined in House Bill 161, some cities could see combined tax rates approaching 25 percent on short-term rentals. In Cincinnati, for example, combined taxes could reach approximately 24.6 percent. Tax structures that vary widely between communities risk creating uneven competitive conditions and increasing costs for travelers choosing to visit Ohio communities.

Combined property tax and lodging tax pressure

Another concern involves provisions that could require property owners to disclose short-term rental use at the time of purchase, potentially triggering reclassification of properties from residential to commercial tax treatment.

Short-term rentals already generate substantial tax revenue through existing property taxes and lodging taxes. Adding higher lodging taxes on top of potential property tax reclassification could significantly increase the cost of operating these properties. For many small operators who own one or two properties, this type of combined tax pressure could make it financially difficult to continue operating, ultimately reducing the supply of short-term rentals available to travelers.

Northeast Ohio has worked hard to build a reputation as a welcoming destination for visitors from across the state and country. Professional operators take pride in providing high-quality accommodations, responsible guest screening, and clear house rules to ensure guests respect the communities they visit.

I encourage lawmakers to continue working with stakeholders across Ohio to develop thoughtful policies that support tourism, local businesses, and fair tax systems for all lodging providers.

Thank you for the opportunity to provide written testimony on this important issue.

Respectfully,

Michael Clifford

Founder, TLX (Traveluxe)

Northeast Ohio