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

Testimony to the Ohio Senate Finance Committee for Sub. H.B. 96
June 6, 2025
Joe Savarise, President & CEO ▪ Ohio Hotel & Lodging Association

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and Members of the Ohio Senate Finance Committee:

Thank you for the opportunity to provide interested party testimony on Sub. H.B. 96. I'm Joe Savarise, President & CEO of the Ohio Hotel & Lodging Association (OHLA), which represents the hotel operators, hospitality businesses, and tourism partners who form the foundation of Ohio's $48 billion travel economy.

The hotel & lodging industry in Ohio is composed of franchised businesses, entrepreneurial operators, and family-owned companies. These are overwhelmingly local businesses, even when affiliated with national brands. Hotels support more than 36,000 direct jobs in Ohio, delivering over $1.5 billion in wages. Hotel guests spend $12.1 billion annually, generating $1 billion in taxes across all levels of government.

In legislation as complex and inclusive as Sub. H.B. 96, there are naturally many aspects impacting business and Ohio's travel economy. We appreciate the diligent work of our elected members of the House and Senate on behalf of the entire state. At this point in the deliberations, we would like to highlight just a few of the most key elements under consideration.

Proponent Provisions:

DEVCD53 – TourismOhio Marketing Fund (House Version)

OHLA supports the House version, which recognizes the essential role state tourism marketing plays in increasing occupancy, driving demand, and enhancing Ohio's image in competitive travel markets. TourismOhio is an engine for revenue generation in local communities. Yet Ohio lags behind states like Michigan ($50M) and Pennsylvania ($19M) in marketing investment. Reversing this trend through increased funding is critical to ensuring that Ohio's visitor economy remains competitive.

TAXCD77 – Film and Theater Production Tax Credits

We support the extension of this credit as it creates sustained hotel occupancy and boosts local economies. Film crews, cast, and support staff contribute significantly to hotel bookings and ancillary spending. With a reported ROI of $2 for every $1 invested, this credit promotes Ohio as a filming and travel destination while reinforcing job growth and infrastructure. Credits are only extended if the business is realized.

TAXCD93 – Extension of Special Lodging Tax (Fairfield County)

OHLA supports this provision as it simply renews an existing tax that supports an important cultural facility without introducing new financial burdens on hoteliers.

(continued)

Input as Interested Party

TAXCD94 – Repeal of 2 Percent Lodging Tax (Ashtabula County)

We believe this provision should be considered in a wider context. We note that if the General Assembly determines that a 2 percent lodging tax has negative economic impact in one county, it must also consider the negative effects of permitting additional new or layered taxes on hotel stays in other counties. This repeal acknowledges that excessive lodging taxes can harm the travel economy; a principle that should be applied consistently across the state.

Opposition to Provisions Encouraging NEW Tax Stacking & Tax Grabs:
TAXCD95, TAXCD96, TAXCD97

TAXCD95 – Use of Lodging Taxes for Public Safety and Infrastructure by CVBs

This provision would allow Convention and Visitors Bureaus (CVBs) in some counties to divert existing lodging tax revenue away from one core purpose—marketing and promoting tourism—and instead use it for public safety, infrastructure, or economic development. While these needs are undeniably important, this shift dilutes the return on investment for the lodging industry and threatens the sustainability of local tourism marketing efforts. If lodging tax dollars are routinely used to backfill other budget gaps, Ohio communities risk underfunding the very activities that drive visitors in the first place.

TAXCD96 – County Lodging Tax Increase for Public Safety in Resort Areas

This provision would authorize counties to increase general lodging taxes by up to 1% to fund public safety in designated resort areas. While public safety is essential to tourism, this proposal marks a departure from the lodging tax's intended use—spurring tourism, visitor attraction, and economic development tied directly to the hospitality industry. Resort communities already contribute heavily through existing lodging taxes, and this measure could lead to tax fatigue, reducing Ohio's attractiveness to event planners and vacationers alike. When layered with other existing taxes, this additional 1 percent would push total lodging tax rates into uncompetitive and unsustainable territory.

TAXCD97 – Let Towns Increase Resort Area Tax to 2 to 2.5 Percent (with vote)

Initially OHLA supported TAXCD97, which allows municipalities and townships to increase the resort area tax to 2% or 2.5% with voter approval, because the measure was structured to distribute the tax burden equitably across all tourism-facing businesses in resort communities; not solely targeting hotels. This broader application was viewed as a fairer approach to generating local revenue in high-tourism areas.

However, OHLA must now oppose TAXCD97 due to its inclusion in a larger tax framework that introduces compounding, layered lodging-specific taxes – most notably TAXCD96, which permits counties to increase general lodging taxes by up to 1 percent. When enacted simultaneously, these overlapping provisions would allow multiple jurisdictions (county, municipal, and townships) to apply cumulative taxes directly and disproportionately on hotel properties. This stacking effect could drive total lodging tax rates beyond 15–18% in some areas, undermining Ohio's competitiveness as a travel destination.

(continued)

What began as a balanced approach to funding resort communities has become part of a package that singles out lodging properties for unsustainable tax increases. The hotel industry, already a primary contributor to local tax revenue, cannot absorb this layered approach without risking higher prices for guests, reduced demand, and loss of group and event business to lower-taxed markets. OHLA urges the General Assembly to pursue a single, reasonable tourism revenue tool, not a patchwork of compounding mechanisms that threaten the stability of Ohio's visitor economy.

Suggested Amendments:

1. Enact the Provisions of House Bill 161

This bill proposes to apply sales and lodging taxes to short-term rentals, generating up to $90 million in revenue while leveling the playing field between hotels and short-term rentals. It is a smarter, fairer, and more modern approach to tourism funding than introducing new taxes on already compliant hotel operators.

2. Allow Municipalities to Extend Tax Exemptions for Hotels

We request that the General Assembly allow municipalities to extend a tax exemption to a hotel for up to 15 years beyond the current 15-year statutory cap. This tool would aid local development and incentivize hotel investment and job creation.

In closing, Ohio has a unique opportunity to strengthen its visitor economy without undermining it through tax overload. OHLA respectfully asks this Committee to invest in tourism marketing, support proven economic generators like film production, and reject proposals that would destabilize hotel markets through tax stacking. We appreciate your consideration and look forward to working with you to preserve and grow Ohio's travel economy.

Thank you for your time and thoughtful consideration.

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