



Senator Andrew O. Brenner – 19th District
Local Government Committee
February 26th, 2025
Senate Bill 104 – Sponsor Testimony

Chairwoman O'Brien, Vice Chair Gavarone, Ranking Member Smith, and members of the Local Government Committee, thank you for affording me the opportunity to provide sponsor testimony on Senate Bill 104, a reintroduction of Senate Bill 299 from the past General Assembly. This bill seeks to protect the rights of property owners to own and operate short term rentals in Ohio.

In past years, significant regulations have been imposed against short term across the nation. These include large licensing fees, the use of zoning to prohibit short term rentals in residential areas, and/or lottery systems for deciding which homeowners receive licenses to operate these rentals. Senate Bill 104 would prohibit local governments from doing the following:

- Outright prohibiting short term rentals,
- Creating a lottery system to determine the eligibility to operate an STR,
- Use zoning laws to prohibit STRs,
- Restrict the number of rentals and individual may operate,
- Or require that the owner of property occupy the STR,

Additionally, the bill caps the licensing fees at \$20.

One important component of SB 104 is the requirement that all short-term rental platforms collect and remit local lodging taxes through a centralized collection model. A streamlined centralized tax collection law will result in more revenue for localities and ensure that communities can fully benefit from tourism at a time of mounting budget challenges, both through tax revenue and guest spending in neighborhoods. However, in order to achieve these objectives, thoughtful consideration must be given to creating clear, modern and simple tax collection systems. As we've seen in other places, tax systems that are complicated, costly, and fail to apply to all platforms risk doing more harm than good.

In general, governments tend to see more revenue when they implement practical rules that allow platforms to collect and remit taxes on behalf of Hosts. For example, after Tennessee implemented a centralized tax collection system, Tennessee saw an increase of approximately 320 percent in the amount of taxes collected from approx. \$42M to \$135M in 2023.

In 2023, short term rentals generated over one billion dollars in total economic impact. This led to listings in Ohio contributing \$258 million in total tax revenue across state, local, and federal taxes. Guest spending supported nearly 13,400 jobs across various industries including hospitality, retail, and transportation.

Some point to short-term rentals as a factor exacerbating the housing shortage, leading them to turn to bans or heavy restrictions as a solution. However, other states show that these restrictions may not provide the intended outcome. Boston, Massachusetts has a long-standing short-term rental restriction, but housing costs in Boston only grow, while short-term rentals decrease. In New York City, one year after their restrictions on short term rentals were passed, hotel prices increased 7.4% compared to the 2.1% nationwide average, without a drop in housing cost¹. A study conducted this year by the Harvard Business Review found that short-term rental bans are a poor solution to high housing costs². Short term rentals also only account for 0.6% of housing units in Ohio, 31,700 of the more than 5 million total housing units. The outcome of these regulations appears to be higher expense for travelers, a loss of extra income for hosts, and a decrease in tax revenue from fewer tourists.

Thank you again Chairwoman O'Brien and members of the committee for hearing my testimony on this important issue. I would be happy to answer any questions.

¹ Airbnb (2024). *NYC's rules one year later: Higher prices for travelers, no housing impact*. Newsroom. <https://news.airbnb.com/nyc-rules-higher-prices-for-travelers-no-impact-on-housing/>

² Calder-Wang, S., Farronato, C., & Fradkin, A. (2024). *What Does Banning Short-Term Rentals Really Accomplish?* Harvard Business Review. <https://hbr.org/2024/02/what-does-banning-short-term-rentals-really-accomplish>