



CITY MANAGER

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March 11, 2025

Chairman O'Brien
Vice Chairman Gavarone
Ranking Member Smith
Members of the Senate Local Government Committee

As the City Manager for the City of Sandusky, I am writing to express strong opposition to Senate Bill 104 as introduced. SB104 would be insurmountably detrimental to our housing market and our primary economic driver, tourism by prohibiting our ability to implement reasonable regulations regarding short-term rental properties.

The City of Sandusky is extremely concerned with the bill's broad prohibition of our ability to regulate short-term rental properties. As you know, our city swells considerably during the summer months. It is imperative for us to manage this influx of visitors in a responsible manner. SB104, as currently drafted, would prohibit us from passing such necessary ordinances. Simply stated, this bill complicates and compromises our ability to properly plan our community.

Sandusky recognizes the important role that short-term rentals play in supporting our tourism economy, but we do not believe they should be able to continue skirting participation in the market designed to promote the areas in which they operate. The collection and remittance of lodging taxes on transactions made by short-term rental properties is a positive step in addressing the ongoing issue faced by all tourism industry partners. However, until short-term rental properties are *fully* included in our state taxation structure, businesses engaging in the exact same taxable activity will continue to be treated unequally.

Just as the U.S. Supreme Court reasoned in *Dakota v. Wayfair* in 2016, historical taxation of business activities has become outdated effectively causing market distortions with modern technology giving advantages to certain business models over others. 138 S.Ct. 2094 (2018). These same market distortions are becoming more apparent due to unfair taxation of lodging establishments—particularly around short-term rental properties excused from the sales tax. SB104 would intensify this problem, furthering the advantage given to one seller over another despite engaging in the same business and often competing for the same customers.

We look forward to working together with all industry partners on comprehensive legislation that addresses the broader issues associated with short-term rental properties in Ohio. Thank you for your attention to this matter and please feel free to contact me directly should you have any questions in the future.

Sincerely,



John Orzech
City Manager