

Good morning, esteemed members of the Senate Local Government Committee. My name is Jay Khan, and I am a property owner in Hamilton County, Ohio, where I operate a short-term rental property. I am here to provide proponent testimony for Senate Bill 104 (SB 104) and to express my strong opposition to any legislation, such as the proposed Hotel Lobbyist Bill, that would impose a 26.5% tax increase on short-term rental properties.

As a property owner, I have invested significant time, effort, and resources into maintaining a safe, welcoming, and high-quality short-term rental that contributes to Ohio's vibrant tourism economy. My rental property not only provides supplemental income to support my family but also generates economic activity by attracting visitors who spend at local businesses, restaurants, and attractions. According to testimony on SB 104, short-term rentals in Ohio contributed \$258 million in total tax revenue across state, local, and federal taxes in 2023, supporting approximately 13,400 jobs. My property is part of this economic engine, and SB 104 ensures that small property owners like me can continue to operate without excessive regulatory or tax burdens.

SB 104 is a common-sense measure that protects property owners' rights to operate short-term rentals while modernizing Ohio's tax code to ensure fair and consistent application of lodging taxes. By limiting local governments' ability to impose restrictive regulations or outright bans on short-term rentals, SB 104 preserves my ability to use my property as I see fit, consistent with Ohio's home rule principles. Many cities have implemented diverse and effective local ordinances to regulate short-term rentals, ensuring safety and community harmony. Overriding these with heavy-handed state restrictions, as some propose, would disrupt established local solutions and create confusion for property owners and renters alike.

Moreover, SB 104's provision to subject short-term rentals to local lodging taxes is a practical step toward leveling the playing field with traditional hotels, without imposing punitive tax hikes. The Legislative Services Commission estimates that extending lodging taxes to short-term rentals could generate \$3 million to \$32 million annually for local governments, alongside \$15 million to \$48 million in state sales tax and \$3 million to \$10 million in county sales tax. This additional revenue supports community services while allowing property owners like me to continue contributing to Ohio's economy without facing prohibitive costs.

I strongly oppose any legislation, such as the so-called Hotel Lobbyist Bill, that would impose a 26.5% tax increase on short-term rental properties. Such a dramatic tax hike would place an unfair and unsustainable burden on small property owners like myself, many of whom rely on rental income to cover maintenance costs, property taxes, and other expenses. Unlike large hotel chains, individual property owners lack the financial resources to absorb a 26.5% tax

increase, which could force many of us to cease operations. This would not only harm our livelihoods but also reduce the availability of affordable lodging options for visitors, stifling tourism and local economic growth.

The hotel industry may argue that higher taxes on short-term rentals are necessary to create parity, but this ignores the distinct nature of our operations. Short-term rentals provide unique, personalized experiences that complement, rather than compete with, traditional hotels. A 26.5% tax increase would disproportionately harm small property owners and renters, particularly in rural or lower socio-economic communities, where short-term rentals are often a vital source of income and tourism revenue. Instead, SB 104's approach—applying existing lodging taxes fairly—strikes the right balance without punishing small operators.

I urge the committee to support Senate Bill 104 to protect property owners' rights and ensure a fair, predictable tax structure for short-term rentals. At the same time, I implore you to reject any proposal, such as the Hotel Lobbyist Bill, that would impose a 26.5% tax increase on short-term rentals. Such a measure would devastate small property owners like me, reduce housing options for visitors, and undermine Ohio's tourism economy. By passing SB 104, you can support economic growth, preserve local control, and ensure that Ohio remains a welcoming destination for all.

Thank you for your time and consideration. I am happy to answer any questions you may have.

Sincerely,
Jay Khan