



## OHIO SENATE LOCAL GOVERNMENT COMMITTEE

May 28, 2025

### Written Opponent Testimony Senate Bill 104

Chair O'Brien, Vice Chair Gavarone, Ranking Member Smith, and members of the Ohio Senate Local Government Committee:

My name is Kent Scarrett, and I am the Executive Director at the Ohio Municipal League. On behalf of the league, thank you for the additional opportunity to provide opponent testimony on Senate Bill 104, a bill that seeks to retroactively prohibit the local regulation of short-term property rentals.

As previously mentioned to the committee, OML is consistent in its opposition to statewide preemptions, regardless of the pros and cons of short-term rentals. We seek to preserve the municipal home rule authority found in Article XVIII of the Ohio Constitution. The powers of local self-government reflect that the best decisions for a community are made closest to home, at the local level. But Senate Bill 104 would keep local decision-makers from making these local decisions.

While we appreciate the dialogue that has taken place and acknowledge the intent behind several amendments, the bill—even in its amended form—remains a significant preemption of municipal home rule authority. The proposed changes do not sufficiently address our core concerns and in several cases create new, permanent limitations on local governance.

#### **Taxation Preemption Persists**

OML is supportive of lodging taxes being extended to short-term rentals. However, we do not support an amendment prohibiting municipalities from imposing any tax, fee, or assessment on short-term rental transactions unless explicitly authorized in the Revised Code. Such a change reinforces the removal of local taxing authority, which municipalities have historically used to address local infrastructure needs and tourism-related services.

Moreover, the cap on combined local lodging taxes at 7.5% could force municipalities to reduce existing rates, undermining revenue streams that fund public safety, visitor services, and local events—many of which are directly impacted by short-term rental activity.

#### **Regulatory Authority Remains Narrow and Conditional**

Some of the proposed changes attempt to provide a framework for limited local regulation and enforcement. However, they specify that regulations must apply equally to non-short-term rental properties, even when the challenges posed by short-term rentals (e.g., transience, absentee ownership) are unique.

Enforcement mechanisms, such as suspension of operations, are severely constrained, requiring either multiple convictions or severe injury/death before action can be taken. This creates an unworkable burden of proof for local officials trying to address nuisance properties.

### **Local Fees and Registration Limitations Undercut Implementation**

The proposed changes replace the \$20 annual cap with a one-time \$50 registration fee, but prohibit renewals and restrict new charges to only when ownership changes. This deprives municipalities with the option of modest but necessary funding to support compliance programs, code enforcement, and public safety oversight. It also makes it harder to maintain updated registries of active rentals.

### **"Grandfather Clause" is Temporary Relief, Not a Solution**

Local governments deserve ongoing authority to respond to evolving housing and neighborhood conditions—not a one-time carve-out. The grandfathering of pre-existing ordinances is appreciated but only delays the issue. It creates an uneven patchwork of rules statewide and penalizes communities that waited to adopt policy until after broader guidance was established. Regulations may not only be needed at the local level, but they should be malleable, as well – allowing communities to adjust to situations or conditions that arise over time.

Short-term rentals have a real impact on neighborhoods, housing markets, and municipal services. Cities and villages are not seeking to ban these uses, but rather to manage them responsibly. SB104, even as amended, strips away that ability and replaces local discretion with rigid, top-down rules.

We urge this committee to recognize the bill's continued preemption of municipal authority and to consider an approach that respects the need for local oversight.

The Ohio Municipal League respectfully remains in opposition to Senate Bill 104. Thank you for the opportunity to comment on this legislation.