



OHIO HOTEL & LODGING ASSOCIATION
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Testimony to the Ohio House Civil Justice Committee for SB 13 • February 23, 2021

Joe Savarise, Executive Director • Ohio Hotel & Lodging Association

Chairman Hillyer, Vice Chairman Grendell, Ranking Member Lepore-Hagan and members of the House Civil Justice Committee, on behalf of Ohio Hotel & Lodging Association, please accept our written testimony to you today in support of Senate Bill 13. We believe that the bill represents a fair and reasonable compromise which provides a statute of limitations that aligns more closely with other states and clarifies the application of Ohio's borrowing statute to contract and similar actions. We respectfully urge this Committee and the House of Representatives to approve this bill as passed by the Senate.

The Ohio Hotel & Lodging Association represents thousands of owners, operators, managers, and employees across the state, as well as hundreds of companies that make brick-and-mortar investments and provide jobs in Ohio communities. The hotel & lodging industry comprises many franchised businesses as well as many entrepreneurial small business owner-operators. These businesses are largely locally owned and operated, even when they are affiliated with a national brand. A large percentage are family-owned companies. Prior to the pandemic, hotels produced more than 42,000 direct jobs and supported 192,000 related jobs. Hotels also produced \$27 billion in business sales, \$8 billion in wages and \$4 billion in federal, state and local taxes.

Our industry faces the greatest economic challenges in its history. During the height of business closures due to COVID-19, 29,700 direct hotel jobs (70 percent) and nearly 86,570 supported jobs were lost. Revenue per available hotel room has declined by more than half, and hotel property values have dropped between 25 and 35 percent. Most hoteliers are planning for revenue to decline between 45 and 60 percent in 2021 compared to 2019.

Our worst quarter during the pandemic will be the current quarter, with levels of business at historic lows that will eclipse even the depressed levels at the height of pandemic closures last year. As such, every expenditure and every operational cost is of critical importance to the survival of these employers.

Senate Bill 13 seeks to amend R.C. 2305.06 and 2305.07 to shorten the statute of limitations on oral and written contracts to four years for oral contracts, six years for written contracts and six years for consumer transactions. This bill's goal to limit the "tail" on liability for corporations as a way of improving Ohio's business climate will go a long way for many in the hospitality industry who have been hurt the worst throughout the pandemic.

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Defending against contract claims under Ohio’s current eight-year statute of limitation can be a challenge because the availability of witnesses and records becomes problematic as more time elapses between the breach and when a claim is filed. Additionally, shrinking the statute of limitation on contracts also helps improve Ohio’s business climate and aids Ohio employers by lowering the potential risk of litigation.

Our organization and its members add their voices in respectfully asking for your thoughtful consideration and support of Senate Bill 13 and its provisions that address issues that will allow the continued existence of many Ohio businesses and employers.

Thank you.



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