

**Opponent Testimony of
Andrew W. Herf, Executive Director
Ohio Association of Convention and Visitor Bureaus
on HB 563 before the
Ohio House State & Local Government Committee
March 9, 2022**

Chair Wiggam, Vice Chair John, Ranking Member Kelly and members of the House State & Local Government Committee, thank you for the opportunity to testify in opposition to HB 563.

My name is Andy Herf, and I serve as the Executive Director of the Ohio Association of Convention and Visitors Bureaus (OACVB). Convention and visitors bureaus are local marketing organizations that promote travel and tourism in the local city, county or region. CVB's can be large or small depending on the region they represent. They can promote anything from the Gateway to Amish Country or the Wayne County Fair in Wayne County, the Inkcarceration Music and Tattoo Festival at the historic Ohio State Reformatory or Shelby Bicycle Days in Richland County to Blink Cincinnati or the Cincinnati Zoo in Hamilton County.

When CVB's successfully promote a county or a region, visitors spend money on the local economy and they often stay in hotels. When a visitor stays in a hotel, that person pays a lodging tax. The lodging tax may be a county or a city tax, and some jurisdictions have both. The tax generates revenue for cities, townships, municipalities and for the local CVB to operate. In other words, a Convention and Visitors Bureau's effectiveness is directly tied to their ability to market the region. If they do a good job, then more visitors will equal more overnight stays and their budget will increase.

It's one of the only taxes in the state that the activity of the tax payers, tax remitters and the beneficiaries of the tax are all joined in a positive feedback loop. This system was based on thoughtful debate at each level, but HB 563 would change that conversation by taking some important options off the table.

At this point, I would like to be clear that the CVB's across the state support short term rentals and would be happy to promote them. However, with the exception of a couple areas of the state, STR's do not pay lodging taxes, which means they are not participating in the marketing structure that was set up to promote the region, county or city. They are taking visitors out of hotels where the taxes would be remitted and putting them into a competing rental structure that does not support the tax base of the local governments where they operate.

With regard to the language in the bill, CVB's work closely with local elected officials to craft policy that best fits their local community, and we do not believe local power should be eviscerated. There have been examples of misused short-term rentals in communities across the nation. When CVB members discussed STR issues at the local level, the local entities brought up law enforcement issues. In some localities, a ban may be appropriate, and the authority to deal with those issues should not be undermined at the legislative level.

Another issue deals with a limitation on STR's, which is also prohibited by the bill. In heavier vacation areas there is a trend for investors to collect inventory for the purposes of renting the property out. Whether the investor is local or from another city, no person lives in the property. In turn, the property sits empty several months a year. As a result, other businesses suffer. To address this problem, a city may choose to limit the number of STR's within their jurisdiction, but HB 563 would prohibit them from doing so.

As I stand here today in opposition, I would like to thank Representatives Fowler Arthur and Ferguson for taking time to discuss their bill. We look forward to working on a comprehensive bill that addresses the broader issues associated with short term rentals in Ohio.

I am happy to answer questions.