

Actions at local level dominate end-of-year calendar

Cincinnati – Council member David Mann introduced a redrafted version of short-term rental (Airbnb) regulations, which would differentiate “hosted” and “unhosted” rentals, require registration, allow inspections, require platforms like Airbnb to report data, prohibit nuisance activity and limit the number of non-owner occupied rentals to 3 per owner.

The legislation also creates a separate, 7-percent tax for short-term rentals, lower than the existing lodging tax (Transient Occupancy Tax) in Cincinnati. OHLA and the Cincinnati Hotel Association oppose a separate, lower tax created for only some transient accommodations, because doing so will produce diminishing returns and will be disastrous for the city in the long term.

A separate, lower tax for transient accommodations will create a “race to the bottom” as lodging providers find ways to pay a 7 percent tax, versus the 17.5 percent rate at checkout that they are now obligated to pay. This will cost the city vital revenue in the long run and rob our CVB of resources it needs to promote the city and create new business.

Separately, Councilman Mann introduced legislation to create an Affordable Housing Trust Fund. This new legislation only creates the fund, it does not specify how it would be funded, and no dollars would go into that fund until a source is specified in other legislation. But the intent stated by the Councilmember’s staff is that it would be funded by the 7 percent tax on short term rentals.

OHLA, CHA and local partners are actively working to lobby members of Cincinnati City Council to explain the potentially disastrous consequences of creating a separate, lower tax created for only some transient accommodations.

Cincinnati City Council continued hearings on the Housing Fund trust in December.

Columbus – The short-term rental legislation passed in Columbus in July accomplished a number of positive steps, including registration, data reporting, prohibitions on listing illegal rentals, liability requirements, civil rights protections and basic health and safety. The city also indicated its intention to make short-term rentals subject to taxation, although the taxing elements were left unspecified.

OHLA and the Greater Columbus Lodging Council objected to the last-minute inclusion of a provision that would exempt Airbnb from compliance with major provisions in the bill, and city officials indicated that an update was forthcoming in December, prior to a Jan. 1 implementation deadline.

With the necessary corrections, the Columbus legislation could be a helpful step in the efforts to protect consumers, respect local neighborhoods and maintain a level playing field. OHLA will update members about the action on the Columbus ordinance in December.

Cleveland – Cleveland City Council gave final approval to a new \$4 per trip fee for commercial ground transportation at Cleveland Hopkins international Airport. Five members of Cleveland’s 17-member council were persuaded by arguments about concerns on the trip fee, and voted against the measure. But with strong support from Mayor Frank Jackson, and an urgent financial need at the airport, the measure’s passage was assured in the end.

OHLA and Greater Cleveland Lodging Council were successful in getting a delay in implementation until Jan. 1, but at that time the city will proceed with the new fee.

The city issued new airport regulations and details related to the fee and ground transportation operations, available [here](#).

With council approval in place, hotel industry strategy moves from opposition to the legislation, to work on the details of implementation. It is still possible and will be as the implementation proceeds, to propose ideas to make the new system work. We will continue our efforts to share concerns, problems, ideas and ways we can improve outcomes to the city and the airport authority. There will also be the chance to discuss how early implementation steps work with potential candidates to succeed the current mayor.