



## January 2015 Government Affairs Update

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Contact Abbie Shook, Regional Gas Advisor for IGS Energy, at 614-659-5131 or [ashook@igsenergy.com](mailto:ashook@igsenergy.com) for all of your natural gas needs.

### LOCAL ISSUES

#### **ALLEN COUNTY LODGING TAX**

Allen County Commissioners are considering a 3% lodging tax increase to fund the Lima Civic Center. OH&LA is working with the Allen County Commissioners, Lima Civic Center, and Allen County CVB to try to find a compromise that would allow for the needed structural improvements. It is our hope OH&LA is able to find a compromise that assists the structural needs of the civic center, maintaining a strong CVB, and keeping the total hotel tax rate at checkout competitive.

#### **AVON CITY LODGING TAX**

Avon City Council recently enacted an ordinance increasing the city lodging tax from 3% to 6%. OH&LA believes Avon City Council's new 3% lodging tax exceeded their authority granted by the Ohio Revised Code.

**UPDATE:** Our industry partners (OACVB & OTA) have attempted to communicate with the City Attorney to no avail. Therefore, the industry partners have chosen to go to ask the court to enjoin the city from collecting the tax. Following that, we will attempt to find other courses of action to avert this illegal tax or litigate the matter further.

#### **MARIETTA LODGING TAX GRAB**

The City of Marietta is thinking about taking 1% of the 3% local lodging tax away from the CVB's marketing budget to pay for various city GRF projects. OH&LA is working in collaboration with our fellow tourism partners to stress to the city that money spent on a convention and visitors bureau is an investment that a community not only sees a positive return on investment from, but one that also has an immediate return. Dollars spent on an effective travel and tourism marketing campaign show returns within the same calendar year, often times within a couple of months.

### STATE LEGISLATION

#### **OHIO DEPARTMENT OF HEALTH PROPOSES REGULATING HOT TUBS IN OHIO HOTELS AS "Public Swimming Pools"**

The Ohio Department of Health has proposed rule changes to the "Ohio Public Swimming Pool Rules". One of their proposed changes would make hot tubs and possibly jetted tubs in Ohio

hotel rooms subject to the same licensing fees and inspections as public swimming pools. OH&LA is working to prevent these unfair new regulations.

### **OHIO BUSINESS COMPLIANCE INCENTIVE (OBCI)**

OH&LA is working with the Ohio Department of Commerce to help define its new program the Ohio Business Compliance Incentive (OBCI). The purpose and objectives of OBCI is to ensure compliance for the safety and welfare of the public and reward good actors in the industry. “Operation Safe Stay” will be an optional program for hotels to participate in that would encourage a stronger compliance passage rate among the industry. It will provide additional educational tools that should help hotels come into state standard compliances. In addition, a new ODC is developing a new tracking device that will reflect inspection scores, highlight the positive aspects of the hotel and noting the opportunities for improvements.

This program is expected to start sometime in the first half of 2015.

## **FEDERAL LEGISLATION**

### **EXTREME WAGE/MINIMUM WAGE**

The U.S. Senate voted not to increase the minimum wage to \$10.10/hour. The AH&LA worked with other like-minded associations to educate members of Congress and their staff on the negative impact this major increase would have on the hospitality industry. AH&LA is also working with state associations to fight extreme wage increases of around \$15 an hour in Seattle, San Diego, Los Angeles, Chicago and other major markets around the United States. Los Angeles City Council recently voted to increase the minimum wage specifically for hotel employees to \$15.37.

### **TERRORISM RISK INSURANCE ACT**

First passed by Congress in 2002 in response to the terrorist attacks of September 11, 2001, the Terrorism Risk Insurance Act (TRIA) was created to provide a federal backstop for terrorism insurance coverage, which had become largely unavailable or cost prohibitive. The program was renewed in 2005 and again in 2007 (as TRIPRA), and the current extension is due to expire in December 2014.

The extension of TRIA is a high priority for AH&LA and the lodging industry, with hoteliers increasingly faced with notices that their terrorism insurance will not be extended, putting in jeopardy future capital projects and opportunities for economic growth and job creation.

It is important to note that the program mandates that “first dollar losses” be paid by insurers and policyholders and not by taxpayers, and that TRIA is only triggered in the event of a major event and after individual insurer loss thresholds are met.

**Update:** The U.S. Senate failed to pass legislation extending the Terrorism Risk Insurance Act, meaning it will be 2015 before there is any chance of it coming up again.