

Legislature Moves Quickly, Proposes Lower Gas Tax Increase

Governor Mike DeWine has proposed funding critically-needed road and bridge repair and maintenance through an 18-cent-per-gallon increase in gas tax, but legislators moved this week to counter his proposal with a lower increase that would be phased in over three years. A plan in the Ohio House of Representatives would produce less dollars overall for roads and would split the funding 60 percent for the state transportation department and 40 percent for local governments.

OHLA is part of [a statewide coalition](#) which believes that roads and bridges are vital to economic activity, including Ohio's travel economy. Ohio faces a major shortage of funding for roads and bridges. Unless action is taken soon, the system will continue to deteriorate and fail – driving visitors and business away from Ohio and its communities.

OHLA is supporting efforts to protect our industry while the state works to put more funding into roads and bridges. It is important for our member businesses to address deteriorating roads, to equally prioritize state and local needs, and to use fair and sustainable funding sources.

Airbnb Pushes Local Communities to Utilize Voluntary Tax Agreements

Local governments throughout the state are considering various ways to make sure that short-term rental platforms like Airbnb collect and remit tax for transient accommodations just like hotels and other lodging businesses already do. OHLA is working with local contacts to help illustrate [the problems with the model favored by some platforms, so-called "Voluntary Collection Agreements."](#) We oppose these unfair secret agreements, and are working to provide alternatives to local governments across the state.

The hotel & lodging industry's position is that there should be fairness in how taxes related to accommodations are paid – including sales and lodging taxes. Short-term rentals should be subject to existing taxes which already exist for transient accommodations. Our Government Affairs team has resources including model language, legal opinions, and best practices for local governments. If your community is engaged in a discussion on collecting taxes on short-term rentals – or you would like it to be – contact us to learn about the many ways we can help. Email joe@ohla.org.

Ohio Below Average and Median on State-level Destination Marketing

Figures released from U.S. Travel show that Ohio's stagnate level of spending for travel & tourism marketing efforts continues to lag compared to other states. Ohio was tied for number 31 in state tourism office budgets for FY 17-18. Competitors Illinois, Michigan, Tennessee, Wisconsin, and Minnesota all outspend Ohio. Neighboring states Kentucky and West Virginia outspend Ohio as well, while Indiana and Pennsylvania spend less.

Ohio's legislature will debate the level of funding for travel marketing in the upcoming state budget process. The Governor's proposed budget is expected to be delivered on March 15. The five-year funding model pilot for TourismOhio, the state government entity with responsibility for travel and tourism marketing, is expiring. This means that the discussion of the method and amount of funding will be wide-ranging. OHLA will work to ensure that Ohio does not move backward in funding this critical economic development activity, and will advocate a responsive increase to allow more business creation, within the context of the overall state budget demands.

The proposed amount of funding won't be known until the budget proposal is released, but travel economy partners agree that an appropriate amount of funding for the state travel and tourism office would be between \$17 million and \$18 million for each year of the next two-year state budget. Because of carry-over of unspent funds, this would only increase state expenditures by approximately \$4 million each year. Ohio would move from 31st to approximately 16th in level of funding, although it would still be below average.

STATE TOURISM OFFICE BUDGETS DASHBOARD

An Overview of FY 2017-2018 (47 States Reporting)

U.S. TRAVEL ASSOCIATION

