

As Introduced

**124th General Assembly
Regular Session
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H. B. No. 518

REPRESENTATIVES Schmidt, Cates

A B I L L

To amend section 5739.024 of the Revised Code to 1
authorize the boards of county commissioners of 2
certain counties to levy an additional excise tax 3
on lodging. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5739.024 of the Revised Code be 5
amended to read as follows: 6

Sec. 5739.024. (A)(1) A board of county commissioners may, by 7
resolution adopted by a majority of the members of the board, levy 8
an excise tax not to exceed three per cent on transactions by 9
which lodging by a hotel is or is to be furnished to transient 10
guests. The board shall establish all regulations necessary to 11
provide for the administration and allocation of the tax. The 12
regulations may prescribe the time for payment of the tax, and may 13
provide for the imposition of a penalty or interest, or both, for 14
late payments, provided that the penalty does not exceed ten per 15
cent of the amount of tax due, and the rate at which interest 16
accrues does not exceed the rate per annum prescribed pursuant to 17
section 5703.47 of the Revised Code. Except as provided in 18
divisions (A)(2) ~~and~~, (3), ~~and~~ (4) of this section, the 19
regulations shall provide, after deducting the real and actual 20

costs of administering the tax, for the return to each municipal 21
corporation or township that does not levy an excise tax on such 22
transactions, a uniform percentage of the tax collected in the 23
municipal corporation or in the unincorporated portion of the 24
township from each such transaction, not to exceed thirty-three 25
and one-third per cent. The remainder of the revenue arising from 26
the tax shall be deposited in a separate fund and shall be spent 27
solely to make contributions to the convention and visitors' 28
bureau operating within the county, including a pledge and 29
contribution of any portion of such remainder pursuant to an 30
agreement authorized by section 307.695 of the Revised Code. 31
Except as provided in division (A)(2) ~~or~~ (3), or (4) of this 32
section, on and after May 10, 1994, a board of county 33
commissioners may not levy an excise tax pursuant to this division 34
in any municipal corporation or township located wholly or partly 35
within the county that has in effect an ordinance or resolution 36
levying an excise tax pursuant to division (B) of this section. 37
The board of a county that has levied a tax under division (C) of 38
this section may, by resolution adopted within ninety days after 39
July 15, 1985, by a majority of the members of the board, amend 40
the resolution levying a tax under this division to provide for a 41
portion of that tax to be pledged and contributed in accordance 42
with an agreement entered into under section 307.695 of the 43
Revised Code. A tax, any revenue from which is pledged pursuant to 44
such an agreement, shall remain in effect at the rate at which it 45
is imposed for the duration of the period for which the revenue 46
therefrom has been so pledged. 47

(2) A board of county commissioners that levies an excise tax 48
under division (A)(1) of this section on June 30, 1997, at a rate 49
of three per cent, and that has pledged revenue from the tax to an 50
agreement entered into under section 307.695 of the Revised Code, 51
may amend the resolution levying that tax to provide for an 52

increase in the rate of the tax up to five per cent on each
transaction; to provide that revenue from the increase in the rate
shall be spent solely to make contributions to the convention and
visitors' bureau operating within the county to be used
specifically for promotion, advertising, and marketing of the
region in which the county is located; to provide that the rate in
excess of the three per cent levied under division (A)(1) of this
section shall remain in effect at the rate at which it is imposed
for the duration of the period during which any agreement is in
effect that was entered into under section 307.695 of the Revised
Code by the board of county commissioners levying a tax under
division (A)(1) of this section; and to provide that no portion of
that revenue need be returned to townships or municipal
corporations as would otherwise be required under division (A)(1)
of this section.

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(3) A board of county commissioners that levies a tax under
division (A)(1) of this section on March 18, 1999, at a rate of
three per cent may, by resolution adopted not later than
forty-five days after March 18, 1999, amend the resolution levying
the tax to provide for all of the following:

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(a) That the rate of the tax shall be increased by not more
than an additional four per cent on each transaction;

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(b) That all of the revenue from the increase in rate shall
be pledged and contributed to a convention facilities authority
established by the board of county commissioners under Chapter
351. of the Revised Code on or before November 15, 1998, and used
to pay costs of constructing, maintaining, operating, and
promoting a facility in the county, including paying bonds, or
notes issued in anticipation of bonds, as provided by that
chapter;

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(c) That no portion of the revenue arising from the increase
in rate need be returned to municipal corporations or townships as

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otherwise required under division (A)(1) of this section; 85

(d) That the increase in rate shall not be subject to 86
diminution by initiative or referendum or by law while any bonds, 87
or notes in anticipation of bonds, issued by the authority under 88
Chapter 351. of the Revised Code to which the revenue is pledged 89
remain outstanding in accordance with their terms, unless 90
provision is made by law or by the board of county commissioners 91
for an adequate substitute therefor that is satisfactory to the 92
trustee if a trust agreement secures the bonds. 93

Division (A)(3) of this section does not apply to the board 94
of county commissioners of any county in which a convention center 95
or facility exists or is being constructed on November 15, 1998, 96
or of any county in which a convention facilities authority levies 97
a tax pursuant to section 351.021 of the Revised Code on that 98
date. 99

As used in division (A)(3) of this section, "costs" and 100
"facility" have the same meanings as in section 351.01 of the 101
Revised Code, and "convention center" has the same meaning as in 102
section 307.695 of the Revised Code. 103

(4) A board of county commissioners that levies a tax under 104
division (A)(1) of this section on June 30, 2002, at a rate of 105
three per cent may, by resolution adopted not later than August 106
15, 2002, amend the resolution levying the tax to provide for all 107
of the following: 108

(a) That the rate of the tax shall be increased by not more 109
than an additional four and one-half per cent on each transaction; 110

(b) That all of the revenue from the increase in rate shall 111
be pledged and contributed to a convention facilities authority 112
established by the board of county commissioners under Chapter 113
351. of the Revised Code on or before August 15, 2002, and used to 114
pay costs of constructing, expanding, maintaining, operating, or 115

promoting a convention center in the county, including paying 116
bonds, or notes issued in anticipation of bonds, as provided by 117
that chapter; 118

(c) That no portion of the revenue arising from the increase 119
in rate need be returned to municipal corporations or townships as 120
otherwise required under division (A)(1) of this section; 121

(d) That the increase in rate shall not be subject to 122
diminution by initiative or referendum or by law while any bonds, 123
or notes in anticipation of bonds, issued by the authority under 124
Chapter 351. of the Revised Code to which the revenue is pledged 125
remain outstanding in accordance with their terms, unless 126
provision is made by law or by the board of county commissioners 127
for an adequate substitute therefor that is satisfactory to the 128
trustee if a trust agreement secures the bonds. 129

As used in division (A)(4) of this section, "cost" has the 130
same meaning as in section 351.01 of the Revised Code and 131
"convention center" has the same meaning as in section 307.695 of 132
the Revised Code. 133

(B) The legislative authority of a municipal corporation or 134
the board of trustees of a township that is not wholly or partly 135
located in a county that has in effect a resolution levying an 136
excise tax pursuant to division (A)(1) of this section may by 137
ordinance or resolution levy an excise tax not to exceed three per 138
cent on transactions by which lodging by a hotel is or is to be 139
furnished to transient guests. The legislative authority of the 140
municipal corporation or township shall deposit at least fifty per 141
cent of the revenue from the tax levied pursuant to this division 142
into a separate fund, which shall be spent solely to make 143
contributions to convention and visitors' bureaus operating within 144
the county in which the municipal corporation or township is 145
wholly or partly located, and the balance of such revenue shall be 146
deposited in the general fund. The municipal corporation or 147

township shall establish all regulations necessary to provide for 148
the administration and allocation of the tax. The regulations may 149
prescribe the time for payment of the tax, and may provide for the 150
imposition of a penalty or interest, or both, for late payments, 151
provided that the penalty does not exceed ten per cent of the 152
amount of tax due, and the rate at which interest accrues does not 153
exceed the rate per annum prescribed pursuant to section 5703.47 154
of the Revised Code. The levy of a tax under this division is in 155
addition to any tax imposed on the same transaction by a municipal 156
corporation or a township as authorized by division (C)(1) of 157
section 5739.02 of the Revised Code. 158

(C) For the purpose of making the payments authorized by 159
section 307.695 of the Revised Code to construct and equip a 160
convention center in the county and to cover the costs of 161
administering the tax, a board of county commissioners of a county 162
where a tax imposed under division (A)(1) of this section is in 163
effect may, by resolution adopted within ninety days after July 164
15, 1985, by a majority of the members of the board, levy an 165
additional excise tax not to exceed three per cent on transactions 166
by which lodging by a hotel is or is to be furnished to transient 167
guests. The tax authorized by this division shall be in addition 168
to any tax that is levied pursuant to division (A) of this 169
section, but it shall not apply to transactions subject to a tax 170
levied by a municipal corporation or township pursuant to the 171
authorization granted by division (C)(1) of section 5739.02 of the 172
Revised Code. The board shall establish all regulations necessary 173
to provide for the administration and allocation of the tax. The 174
regulations may prescribe the time for payment of the tax, and may 175
provide for the imposition of a penalty or interest, or both, for 176
late payments, provided that the penalty does not exceed ten per 177
cent of the amount of tax due, and the rate at which interest 178
accrues does not exceed the rate per annum prescribed pursuant to 179

section 5703.47 of the Revised Code. All revenues arising from the tax shall be expended in accordance with section 307.695 of the Revised Code. A tax imposed under this section shall remain in effect at the rate at which it is imposed for the duration of the period for which the revenue therefrom has been pledged pursuant to such section.

(D) For the purpose of providing contributions under division (B)(1) of section 307.671 of the Revised Code to enable the acquisition, construction, and equipping of a port authority educational and cultural facility in the county and, to the extent provided for in the cooperative agreement authorized by that section, for the purpose of paying debt service charges on bonds, or notes in anticipation thereof, described in division (B)(1)(b) of that section, a board of county commissioners, by resolution adopted within ninety days after December 22, 1992, by a majority of the members of the board, may levy an additional excise tax not to exceed one and one-half per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The excise tax authorized by this division shall be in addition to any tax that is levied pursuant to divisions (A), (B), and (C) of this section, to any excise tax levied pursuant to division (C) of section 5739.02 of the Revised Code, and to any excise tax levied pursuant to section 351.021 of the Revised Code. The board of county commissioners shall establish all regulations necessary to provide for the administration and allocation of the tax that are not inconsistent with this section or section 307.671 of the Revised Code. The regulations may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. All

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revenues arising from the tax shall be expended in accordance with section 307.671 of the Revised Code and division (D) of this section. The levy of a tax imposed under this section may not commence prior to the first day of the month next following the execution of the cooperative agreement authorized by section 307.671 of the Revised Code by all parties to that agreement. Such tax shall remain in effect at the rate at which it is imposed for the period of time described in division (C) of section 307.671 of the Revised Code for which the revenue from the tax has been pledged by the county to the corporation pursuant to such section, but, to any extent provided for in the cooperative agreement, for no lesser period than the period of time required for payment of the debt service charges on bonds, or notes in anticipation thereof, described in division (B)(1)(b) of that section.

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(E) For the purpose of paying the costs of acquiring, constructing, equipping, and improving a municipal educational and cultural facility, including debt service charges on bonds provided for in division (B) of section 307.672 of the Revised Code, and for such additional purposes as are determined by the county in the resolution levying the tax or amendments thereto, including subsequent amendments providing for paying costs of acquiring, constructing, renovating, rehabilitating, equipping, and improving a port authority educational and cultural performing arts facility, as defined in section 307.674 of the Revised Code, including debt service charges on bonds provided for in division (B) of section 307.674 of the Revised Code, the legislative authority of a county, by resolution adopted within ninety days after June 30, 1993, by a majority of the members of the legislative authority, may levy an additional excise tax not to exceed one and one-half per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The excise tax authorized by this division shall be in addition to any

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tax that is levied pursuant to divisions (A), (B), (C), and (D) of
this section, to any excise tax levied pursuant to division (C) of
section 5739.02 of the Revised Code, and to any excise tax levied
pursuant to section 351.021 of the Revised Code. The legislative
authority of the county shall establish all regulations necessary
to provide for the administration and allocation of the tax. The
regulations may prescribe the time for payment of the tax, and may
provide for the imposition of a penalty or interest, or both, for
late payments, provided that the penalty does not exceed ten per
cent of the amount of tax due, and the rate at which interest
accrues does not exceed the rate per annum prescribed pursuant to
section 5703.47 of the Revised Code. All revenues arising from the
tax shall be expended in accordance with section 307.672 of the
Revised Code and division (E) of this section. The levy of a tax
imposed under this division shall not commence prior to the first
day of the month next following the execution of the cooperative
agreement authorized by section 307.672 of the Revised Code by all
parties to that agreement. Such tax shall remain in effect at the
rate at which it is imposed for the period of time determined by
the legislative authority of the county, but not to exceed fifteen
years.

(F) The legislative authority of a county that has levied a
tax under division (E) of this section may, by resolution adopted
within one hundred eighty days after January 4, 2001, by a
majority of the members of the legislative authority, amend the
resolution levying a tax under division (E) of this section to
provide for the use of the proceeds of that tax, to the extent
that it is no longer needed for its original purpose as determined
by the parties to a cooperative agreement amendment pursuant to
division (D) of section 307.672 of the Revised Code, to pay costs
of acquiring, constructing, renovating, rehabilitating, equipping,
and improving a port authority educational and cultural performing

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arts facility, including debt service charges on bonds provided 276
for in division (B) of section 307.674 of the Revised Code, and to 277
pay all obligations under any guaranty agreements, reimbursement 278
agreements, or other credit enhancement agreements described in 279
division (C) of section 307.674 of the Revised Code. The 280
resolution may also provide for the extension of the tax at the 281
same rate for the longer of the period of time determined by the 282
legislative authority of the county, but not to exceed an 283
additional twenty-five years, or the period of time required to 284
pay all debt service charges on bonds provided for in division (B) 285
of section 307.672 of the Revised Code and on port authority 286
revenue bonds provided for in division (B) of section 307.674 of 287
the Revised Code. All revenues arising from the amendment and 288
extension of the tax shall be expended in accordance with section 289
307.674 of the Revised Code and divisions (E) and (F) of this 290
section. 291

(G) For purposes of a tax levied by a county, township, or 292
municipal corporation under this section or division (C) of 293
section 5739.02 of the Revised Code, a board of county 294
commissioners, board of township trustees, or the legislative 295
authority of a municipal corporation may adopt a resolution or 296
ordinance at any time specifying that "hotel," as otherwise 297
defined in section 5739.01 of the Revised Code, includes 298
establishments in which fewer than five rooms are used for the 299
accommodation of guests. The resolution or ordinance may apply to 300
a tax imposed pursuant to this section prior to the adoption of 301
the resolution or ordinance if the resolution or ordinance so 302
states, but the tax shall not apply to transactions by which 303
lodging by such an establishment is provided to transient guests 304
prior to the adoption of the resolution or ordinance. 305

Section 2. That existing section 5739.024 of the Revised Code 306
is hereby repealed. 307