



S.B. 45

127th General Assembly
(As Introduced)

Sen. Mumper

BILL SUMMARY

- Authorizes a county to increase lodging taxes by not more than 1% to acquire real estate to house the offices of a convention and visitors' bureau, if the county last increased its tax rate to the maximum 3% in November 1984.
- Provides that the resolution the board of county commissioners adopts to levy the tax increase is subject to referendum.
- Clarifies that a resolution adopted by a board of county commissioners for certain "projects" is subject to referendum, if the board decides not to submit the resolution to the county's electors for their approval.
- Declares an emergency.

CONTENT AND OPERATION

Lodging taxes for county convention and visitors' bureaus

(R.C. 5739.09(A)(1))

Continuing law authorizes a board of county commissioners, by resolution, to levy an excise tax on lodging at hotels in the county for a variety of purposes, including to make contributions to a convention and visitors' bureau in the county. (Legislative authorities of municipal corporations and boards of trustees of townships also may levy this tax.) The rate of a county lodging tax levied for a bureau cannot exceed 3%. If a board of county commissioners levies a lodging tax for that purpose, the board must establish regulations to administer and allocate the tax, and which provide for the return of a portion of the tax revenues to each municipal corporation or township in the county that does not levy a lodging tax. The amount paid must be a uniform percentage of the tax collected in

the municipal corporation or township's unincorporated territory, not to exceed 33-1/3%.

The remainder of the revenues from the lodging tax must be used to make contributions to the convention and visitors' bureau and may be pledged to repay debt issued to construct a convention center pursuant to an agreement between the board of county commissioners and the bureau.

Lodging tax increase for acquiring real property for bureau offices

(R.C. 5739.09(A)(6))

The bill permits boards of county commissioners, by resolution, to increase the rate of their county lodging taxes, up to 1%. To be authorized to increase the rate, the board must have been levying a lodging tax for a convention and visitors' bureau on December 31, 2006, at the maximum 3% rate, and the most recent increase in that tax rate had to have been enacted or had to have taken effect in November 1984.

The lodging tax increase must be used for the purpose of paying the costs of acquiring real property to be used to house the offices of a convention and visitors' bureau operating in the county. The increase must remain in effect for the period specified in the resolution levying the tax, not to exceed 20 years, provided that the increase may not continue beyond the time when the purpose for which the increase is levied ceases to exist. The increase is not subject to diminution by initiative or referendum, or by law, if revenue from the increase is pledged to the payment of debt charges on securities, for so long as the securities are outstanding, unless the board of county commissioners provides an adequate substitute for the revenue. The tax increase is subject to the regulations adopted for the administration of the lodging tax previously levied for the bureau, except that the resolution may provide that no portion of the revenue from the rate increase must be returned to townships or municipal corporations as would otherwise be required by the previously adopted regulations.

Resolution adopting the lodging tax increase is subject to referendum

(R.C. 305.31 and 5739.09(A)(6))

The bill provides that a resolution levying the lodging tax increase authorized by the bill is subject to referendum under existing law's referendum procedures (R.C. 305.31 to 305.41, not in the bill). Electors of the county may file a referendum petition with the county auditor challenging that resolution. The petition must be filed within 30 days after the resolution is adopted and must be signed by 10% of the number of electors who voted in the county for the office of

Governor in the most recent gubernatorial election. The petition seeks to submit the resolution to the electors of the county at a general election, for their approval or rejection. If the referendum petition has the requisite signatures and is otherwise valid, the resolution increasing the lodging tax rate does not go into effect until it is approved by the majority of those voting on it.

Clarification regarding resolution increasing lodging tax for a "project"

(R.C. 305.31)

The bill corrects an oversight in the referendum law (R.C. 305.31) by providing that a resolution adopted by a board of county commissioners that increases a lodging tax for a "project" is also subject to referendum, if the board does not submit the resolution to the electors of the county for their approval or disapproval. Continuing law regarding a "project" resolution (R.C. 307.695(H)) already provides that the resolution is subject to referendum, but the referendum law does not include a reference to the law pursuant to which the resolution was adopted. The bill corrects this oversight. (Am. Sub. H.B. 699 of the 126th General Assembly authorized counties with populations of between 400,000 and 800,000 to undertake "projects," i.e. acquiring, constructing, reconstructing, renovating, rehabilitating, expanding, adding to, equipping, furnishing, or otherwise improving an arena or a convention center, or a combination of both.)

Effective date

(Section 3)

The bill is declared to be an emergency measure that takes immediate effect so that a county may immediately acquire real property to house a convention and visitors' bureau, "which in turn will promote the county's tourism industry, create employment opportunities, and facilitate the county's overall economic growth and development."

HISTORY

ACTION	DATE
Introduced	02-20-07

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