



## ***Local Fiscal Highlights***

<b>LOCAL GOVERNMENT</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FUTURE YEARS</b>
<b>Counties and Municipalities</b>			
Revenues	Potential minimal gain	Potential minimal gain	Potential minimal gain
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Under current law, unchanged by the bill, persons refusing or failing to make the necessary alterations or changes can be charged with a first-degree misdemeanor, meaning that criminal justice expenses for counties and municipalities may increase as a result of the new requirement in the bill, but likely no more than minimally. If there are more cases as a result, counties and municipalities will gain court cost and fine revenue (fine revenue remains in the county of prosecution), which would mitigate the impact of any increase in criminal justice expenditures.

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## ***Detailed Fiscal Analysis***

### **Overview**

Under current law, a "transient hotel" is defined as a place where sleeping accommodations are offered for pay to transient guests for a period of 30 days or less. An extended stay hotel is defined as a place where temporary residence is offered for pay to persons for a minimum stay of more than 30 days and a maximum stay of one year within dwelling units at the hotel. These dwelling units must have provisions for living, eating, cooking, sleeping, and sanitation. The State Fire Marshal's Office (SFM) within the Ohio Department of Commerce licenses and regulates hotels.

This bill allows transient hotels to permit guests to stay longer than 30 days as long as those persons staying longer than 30 days do not occupy more than one-third of the transient sleeping rooms in the hotel. However, the local legislative authority is permitted to adopt an ordinance or resolution that prohibits a guest from staying for 30 days or more in a transient sleeping room that does not have dwelling unit features. The bill also removes a requirement limiting the stays in an extended stay hotel to between 31 days and one year. Instead, the bill would allow extended stay hotels to offer "temporary residence" to persons, the definition of which is modified by the bill to be a dwelling unit accommodation room within a hotel, but is not used as the permanent or principal residence of its occupant. This would permit guests to occupy an extended stay hotel for more than one year.

### **State fiscal effects – hotel inspections**

As a result of these changes, an owner or manager of a hotel is required to maintain a daily register listing each guest and describing the length of each guest's stay. The register must be maintained in a way that allows the number of consecutive days each guest stays in a hotel room to be determined. This register must also be available for SFM to examine during any inspection. Examination of the register would be incorporated into existing hotel inspection routines, meaning that there would likely be little to no fiscal effect from this provision. The Ohio Hotel and Lodging Association noted that all hotels currently keep logs that could be viewed by SFM or easily updated to be viewed by SFM.

Regarding compliance, current law allows hotel owners or operators a reasonable amount of time to come into complete compliance with Hotel Law requirements if, in the course of an inspection, an inspector finds that a hotel is not equipped in the manner required by the Hotel Law. Under continuing law, unchanged by the bill, if a person fails to satisfy the bill's requirements, the person is subject to a fine of \$10 per day the violation continues. If changes are not made within a reasonable time period, SFM can suspend or revoke a hotel license after a Chapter 119. administrative hearing. In sum, it appears that the bill might have only a minimal fiscal effect on expenditures from the State Fire Marshal's Fund (Fund 546).

### *Local fiscal effects*

Under current law, unchanged by the bill, persons refusing or failing to make the necessary alterations or changes can be charged with a first-degree misdemeanor (M1), which carries a maximum sentence of six months and a maximum fine of \$1,000. This means that criminal justice expenses for counties and municipalities may increase as a result of the new requirement in the bill, but likely no more than minimally. It could also mean that counties and municipalities will gain court cost and fine revenue (fine revenue remains in the county of prosecution), offsetting some or all of the impact of any increase in criminal justice expenditures. The state may also gain a negligible amount of state court cost revenue that is deposited into the GRF and the Victims of Crime/Reparations Fund (Fund 402).

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