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H.B. 563
134th General Assembly

Bill Analysis

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Version: As Reported by House State and Local Government

Primary Sponsors: Reps. Fowler Arthur and Ferguson

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SUMMARY

- Prohibits a county, township, or municipal corporation from adopting or enforcing any regulation or restriction that (1) prohibits short-term rental properties or (2) regulates the number, duration, or frequency of rental periods for short-term rental properties.
- Provides an exception to the prohibition described above if the regulation or restriction affecting short-term rental properties is enforced in the same manner as for similar properties that are not short-term rental properties and is enacted for a limited purpose as specified in the bill.

DETAILED ANALYSIS

Existing Ohio law does not provide for the regulation of short-term rental properties. The bill defines a **short-term rental property** to mean a house, apartment, condominium, cooperative unit, cabin, cottage, or bungalow, or one or more rooms that is, or are, offered to transients or travelers for a fee for a period of 30 days or less, regardless of whether amenities, including meals, daily housekeeping, concierge services, or linen services, are provided. Under existing law short-term rental properties are likely not covered under the Landlord and Tenant Law, because of an existing exemption under that law for facilities where circumstances indicate a transient occupancy. The bill explicitly exempts short-term rental properties from the Landlord and Tenant Law.¹

The bill prohibits a county, township, or municipal corporation (local government) from adopting or enforcing any regulation, restriction, or other resolution or ordinance that (1) prohibits short-term rental properties or (2) regulates the number, duration, or frequency of rental periods for short-term rental properties (see **COMMENT**).

¹ R.C. 5321.01 and 5325.01(A).

The bill specifies that it does not prohibit the local government from enacting or enforcing a regulation, ordinance, or resolution that regulates, prohibits, or otherwise limits short-term rental properties, provided the regulation, prohibition, or limitation is enforced by the local government in the same manner as for similar properties that are not short-term rental properties and is enacted for any of the following reasons:

- To protect public health, safety, and welfare related to fire and building safety, property maintenance, sanitation, traffic control, hazardous waste, or noise;
- To limit or prohibit use of property for any of the following purposes:
 - To house sex offenders;
 - To manufacture, distribute, or sell beer or intoxicating liquor, or drugs of abuse;
 - To operate an adult entertainment establishment;
 - To produce pornography or obscenity;
 - To maintain a public nuisance.²

COMMENT

The bill may raise an issue under the Ohio Constitution Home Rule Amendment. The Ohio Constitution, Article XVIII, Section 3 grants municipal corporations municipal home rule authority:

Municipalities shall have authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with the general laws.³

HISTORY

Action	Date
Introduced	02-08-22
Reported, H. State and Local Government	05-11-22

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² R.C. 5325.01(B) and (C).

³ See *Canton v. State*, 95 Ohio St.3d 149 (2002) and the LSC [Municipal Home Rule \(PDF\)](#) Members Brief, which is available on LSC's website: <https://www.lsc.ohio.gov/pages/reference/current/membersbriefs.aspx>.