



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

Sam Benham

### **Sub. H.B. 531**

132nd General Assembly  
(As Passed by the House)

**Reps.** Schuring and Greenspan, Anielski, Ashford, Barnes, Brown, Clyde, Craig, Gavarone, Lanese, Leland, Lepore-Hagan, Manning, Miller, O'Brien, Reineke, Rezabek, Rogers, Ryan, Strahorn, Sweeney, West

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## **BILL SUMMARY**

- Removes limitations on the amount of sports event grants that may be awarded in a fiscal year or for a specific event.
  - Modifies the formula used to calculate grant amounts.
  - Authorizes baseball competitions to qualify for the grant.
  - Authorizes grants for sports-related events other than competitions, such as a player draft.
  - Disqualifies an event if it was held in Ohio within the last two years or if its hosting is not competitively bid.
  - Requires grants to be paid from sales tax receipts.
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## **CONTENT AND OPERATION**

### **Sports event grants**

The bill removes limitations on the amount of grants that may be awarded through an existing sports event grant program, changes how the grant is calculated, modifies the type of events that may qualify for a grant, and changes the manner in which that grant program is funded. Under continuing law, grants may be awarded by the Director of Development Services to counties, municipalities, or nonprofit organizations acting on behalf of a county or municipality (a so-called "local organizing committee") to support the selection of a site for a national or international sports

competition: specifically, competitions of football, auto racing, boxing, rugby, cricket, horse racing, mixed martial arts, Special Olympics, or any sport that is governed by an international federation and included in the Olympic Games, Pan American Games, or Commonwealth Games. Grants are used to defray the county's, municipality's, or local organizing committee's cost to host the event pursuant to an agreement with the event's sponsor.

### **Grant amount and limitations**

Under current law, a grant equals 50% of the incremental increase in state sales tax revenue projected to be generated within the combined statistical area in which the event is held during a two-week period surrounding the event, up to \$500,000. This increase is determined by employing an impact formula approved by the Destination Marketing Association International (DMAI) or a "similar" formula. The Director determines the amount of the grant on the basis of a projection of those receipts, but all or part of the grant may have to be refunded to the state if the Director determines, on the basis of a final accounting, that the projection exceeded actual receipts. The Director may award no more than \$1 million in grants in any fiscal year.

The bill removes both the \$500,000 per-event grant limitation and the \$1 million restriction on the total amount of grants that may be awarded in a fiscal year.<sup>1</sup> The bill also requires the Director to consult with the Tax Commissioner to select or devise a formula to project the incremental sales tax increase, rather than having to use DMAI's formula or a similar one.<sup>2</sup>

### **Qualifying events**

The bill modifies the categories of events that may qualify a local government or organizing committee for a sports event grant. First, the bill allows baseball competitions to qualify for the grant.<sup>3</sup> Second, the bill allows an event affiliated with a sport, such as a player draft, to qualify for the grant.<sup>4</sup> (Under current law, only a sports competition qualifies for the grant.) Third, the bill disallows an event from qualifying for the grant if it had been held in Ohio in either of the last two years or if its hosting is not competitively bid.<sup>5</sup>

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<sup>1</sup> R.C. 122.121(A).

<sup>2</sup> R.C. 122.121(A).

<sup>3</sup> R.C. 122.12(I).

<sup>4</sup> R.C. 122.12(D).

<sup>5</sup> R.C. 122.121(A).



## Grant funding

The bill changes the manner in which sports event grants are funded. Under current law, the grants are funded pursuant to appropriations by the General Assembly, though the grant's funding source is not specified. The bill funds the grant program from a dedicated treasury fund funded by diverting sales tax receipts that would otherwise be credited to the General Revenue Fund (GRF). The Tax Commissioner may adopt rules prescribing the time period over which sales tax receipts may be transferred to the new grant fund.<sup>6</sup> The bill credits the portion of any refunded grant (see above) to the GRF.<sup>7</sup>

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## HISTORY

ACTION	DATE
Introduced	02-28-18
Reported, H. Gov't Accountability & Oversight	05-22-18
Passed House (84-9)	06-20-18

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<sup>6</sup> R.C. 122.121(A), 122.122, and 5739.21.

<sup>7</sup> R.C. 122.121(E).

