



# OHIO LEGISLATIVE SERVICE COMMISSION

Tom Middleton

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 531 of the 132nd G.A.

**Status:** As Reported by Senate Finance

**Sponsor:** Reps. Schuring and Greenspan

**Local Impact Statement Procedure Required:** No

**Subject:** Makes changes to the Sporting Event Grant Program and funds the program through the Sports Event Grant Fund

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### State & Local Fiscal Highlights

- The bill makes changes to the terms and eligibility for grants to be awarded under the Sporting Event Grant Program overseen by the Development Services Agency (DSA). A larger number of events would be eligible to apply for grants under these altered program terms.
- The bill funds the program with a \$5.0 million transfer from the GRF to the new Sports Event Grant Fund (Fund 5UY0) and appropriates that same amount for grants in FY 2019.
- In comparison to current program guidelines, the revised program terms could increase both the number of events receiving grants and the amounts awarded annually, provided that funding is available in future fiscal years.

### Detailed Fiscal Analysis

#### Overview of current Sports Event Grant Program

Under the Sports Event Grant Program operated by the Development Services Agency (DSA), a local organizing entity such as a county, municipality, or a nonprofit organization acting on their behalf, may apply for a state grant to support the hosting of the event. Under current law, a grant may be awarded totaling not less than 50% of the incremental increase in state sales tax revenue projected to be generated within the combined statistical area where the event is held during a two-week period surrounding the event, with a minimum qualifying amount of \$125,000 and maximum of \$500,000. Up to \$1.0 million per fiscal year may be awarded. In prior years, the program has been funded under GRF appropriation item 195407, Travel and Tourism. Between FY 2014 and FY 2017, DSA awarded seven Sporting Event Grants totaling \$2.5 million. There is no funding for the program during the FY 2018-FY 2019 biennium.

## **H.B. 531 fiscal effects**

The bill changes the permanent law governing the program's funding by (1) eliminating the \$1.0 million limit that may be awarded under the program annually, (2) increasing the maximum grant award to \$2.0 million, and (3) creating the new Sports Event Grant Fund (Fund 5UY0) to be used to award the grants. In uncodified law, the bill requires the transfer of \$5.0 million from the GRF to Fund 5UY0 and makes appropriations of the same amount for grants in FY 2019.

### **Qualifying events and grant amounts awarded**

The bill also makes changes to the terms of the Sporting Event Grant Program that, overall, could lead to a greater number of events qualifying for grant funding and increase the amounts awarded. It expands the definition of "game" to include the sport of baseball or other sport-related events, such as a player draft or a commemoration. However, the bill disqualifies an event if it was held in Ohio within the last two years or if a competitive bidding process was not used to select a hosting entity. Other program terms are set under the bill, such as the definition of "qualifying costs" projected by the grant applicant to host the event. Please see the LSC Bill Analysis for a thorough review of these altered program requirements.

### **Program funding**

Finally, the bill removes the \$1.0 million cap in awards that may be issued in a fiscal year and eliminates the existing individual grant maximum of \$500,000. The minimum award amount remains at \$125,000 as under current law. The number of grants and amount awarded in grants each year would depend on funding availability. If more funds are transferred into the Sports Event Grant Fund (Fund 5UY0) from the GRF in future fiscal years, for example, then it is likely all or most of those funds would be awarded in grants, given the revised program terms. Also note that the bill caps the amount that can be held in Fund 5UY0 at \$10.0 million.