



# Ohio Legislative Service Commission

*Tom Middleton*

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 175 of the 131st G.A.

**Date:** May 19, 2015

**Status:** As Introduced

**Sponsor:** Rep. Barnes

**Local Impact Statement Procedure Required:** No

**Contents:** Establishes the Access to Global Market Opportunities for Ohio Manufactured Products Program and makes an appropriation

### State Fiscal Highlights

- The bill creates the Access to Global Market Opportunities for Ohio Manufactured Products Program to promote trade and industrial development, attract foreign investment, facilitate the use of ports, and pursue other trade- and development-related objectives.
- Two types of new appointments are to be made under the program: Ohio Business Consulates and Ohio Ambassadors. Neither group of appointees may be compensated under the bill, but they may be reimbursed for performing their official duties.
- The Ohio Ambassador Fund established by the bill is to be used by the Development Services Agency to operate the program, receiving an appropriation of \$100,000 in FY 2016. The fund is capitalized by a cash transfer of \$100,000 from the GRF.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill creates the Access to Global Market Opportunities for Ohio Manufactured Products Program under the Development Services Agency (DSA) to promote trade and industrial development, attract foreign investment, facilitate the use of ports, and pursue other trade- and development-related objectives. The program is split into two components: (1) the Ohio Global Leadership Initiative, in which members of Ohio District Export Councils<sup>1</sup> are appointed by DSA as "Ohio Business Consulates" to help businesses enter or expand into foreign markets; and (2) the Global Initiative on International Relations, in which Ohio Commodores<sup>2</sup> and members of the Ohio General Assembly are appointed by the President of the Ohio Senate and Speaker of the Ohio House of Representatives as "Ohio Ambassadors" to promote education, economy, diplomacy, humanity, and legislative missions in building and managing relationships with foreign governments. For more information on the appointment processes and the types and terms of service for the initiatives under the Access to Global Market Opportunities for Ohio Manufactured Products Program, please see the LSC Bill Analysis on H.B. 175.

Neither Ohio Business Consulates nor Ohio Ambassadors may receive compensation for their services. The Ohio Ambassador Fund is established in the bill in order to reimburse Ohio Ambassadors for expenses incurred in performing their duties listed under the Global Initiative on International Relations. The fund is capitalized by a cash transfer of \$100,000 from the GRF. A corresponding appropriation of \$100,000 in FY 2016 is made under appropriation item 195XXX, Access to Global Markets. Although the bill does not explicitly state that Ohio Business Consulates may be reimbursed in performing their official duties, presumably the appropriation contained in the bill could be used to cover these expenses as well. Additionally, DSA must publish and periodically update a booklet listing businesses in Ohio that could be suppliers to international markets. DSA may charge fees to businesses requesting to be listed in the booklet. The fees are to be deposited into the Ohio Ambassador Fund, which may also receive private donations, federal grants, and state or local government money. Any costs DSA incurs in managing the Access to Global Market Opportunities for Ohio Manufactured Products Program would likely be paid out of the appropriation from the Ohio Ambassador Fund within the bill.

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<sup>1</sup> District Export Councils are organizations of business leaders appointed by various U.S. Secretaries of Commerce to promote export sales for small- and medium-sized businesses. There are two Councils in Ohio, each consisting of 30 members.

<sup>2</sup> The Association of Ohio Commodores was founded in 1966. Commodores are appointed by the Governor. There are currently at least 200 Commodores in Ohio.