



Proponent Testimony on H.B. 531

House Government Accountability and Oversight Committee

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Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde, and members of the committee, thank you for the opportunity to provide testimony on House Bill 531, legislation to support Ohio's Major Sporting Event Grant Program.

The Columbus and Cleveland Sports Commissions are 501 (c)(3) nonprofit organizations that exist to attract professional, collegiate, amateur and youth sport events to our regions and state. Since 2000, the Greater Cleveland Sports Commission has been directly responsible for attracting, creating and/or managing over 190 sporting events and activities to the Greater Cleveland area, generating more than \$570 million in economic activity.

The Greater Columbus Sports Commission first hit the ground running in 2002, since then more than 425 new sporting events have come to Columbus, generating an estimated \$535 million in visitor spending.

Competition to host major sporting events, such as the NCAA Final Four Tournaments, Major League All Star Games, and national competitions such as the Transplant Games of America, continues to grow. In response to the increased competition to host these events that generate millions in visitor spending, 34 states now offer some type of incentive designed to attract major events to their state.

In 2009, the Ohio legislature created the Major Sporting Event Grant Program to assist local organizing committees in securing these very large sporting events for the economic benefit of our communities and the state. The program is established in O.R.C. 122.121 and administered by the Development Services Agency (DSA).

To qualify, an event must be projected to generate at least \$250,000 in an incremental increase to the state sales tax, determined using a formula approved by DSA. Approved events qualify for a grant in an amount up to half of the estimated sales tax increase to help fulfil a portion of the obligations to a site selection organization under the games support contracts. Post-event reporting is due to the DSA following the event to confirm impact metrics were reached.

To date, \$2 million in state funding through the program has generated over \$104 million in direct economic activity and more than \$7 million in state sales tax.

However, what has been missing since the program's inception is a funding mechanism to ensure that bids made outside the current biennium will have state assistance to help defray the often-substantial costs associated with hosting an event. House Bill 531 would establish the Sporting Event Grant Fund, funded by half of the incremental increase in state sales tax directly attributable to the event.

Funding this program is critical to our ability to continue to bring major events to our state. Many site selection RFPs now have a box that must be checked to indicate state support for hosting major events. In fact, Cleveland and Canton are in the process of bidding on either the 2019 or 2020 NFL Draft, which requires disclosure of whether state support will be available.

The 2018 NCAA Women's Final Four in Columbus at the end of the month is the final event that will be funded by the program this biennium without this legislation. Nearly \$1 million in state sales tax is expected to be generated by the event. Without assurance that funding will be available through the state program, our organizations must be very conservative when deciding which and how many events we can bid on. As we are looking at RFPs into 2025, certainty is needed to demonstrate continued support for the program.

We'd like to thank Representatives Kirk Schuring and David Greenspan for their work on this important legislation. We appreciate your thoughtful consideration of this legislation to continue support for this important program that will ensure Ohio remains competitive with the rest of the nation. We are happy to answer any questions you may have.