

Planned Testimony on H. B. No. 761, Sponsored by Brinkman/Becker

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Representative Louis W. Blessing, Chairman, Governmental Accountability and Oversight Committee and Committee Members

Convention and Visitor's Bureaus (CVBs) are funded with public dollars to the tune of about \$100m per year. I am a strong believer that citizens have a right to know who is paid and enriched by public funds.

CVBs want to claim to be independent of government and thus have no responsibility to be transparent with how they spend public funds. But they are often funded in excess of 90% by public funds and a majority of their boards are appointed by county government.

What a mix. Public funds are going to CVB Boards with no transparency requirements. Those funds are being authorized by government. Those Boards are appointed by government. And, add to that a trend that more and more of those appointments have been government officials.

That briefly changed when Attorney General Mike DeWine, in 2017, saw the folly of the situation. His office could not have addressed the legal transparency requirements, but they could cite clear issues of improper interest in a contract and conflicting judiciary responsibilities when government officials were appointed to CVB Boards. He did so in four opinions in 2017 in opposition to government participation in these boards. In early 2018, he reinforced those opinions and disallowed even ex-officio participation of Commissioners on those Boards.

Earlier this year, HB 18 allowed once again the participation of government officials on CVB Boards. Well, maybe. The bill never addressed improper interest in a contract nor any of the Attorney General's other well-reasoned points (and code citations). The Bill had the strong support of the County Commissioners Association. Who can blame them? They control CVB Board appointments and funding and, as such, spending. Lack of transparency serves their self-interest. Who wouldn't like public funds without oversight or accountability? Transparency is pushed to the curb.

Ironically, HB 18 was entitled "Eliminate certain elections to fill Congressional vacancies." You see, the concession of non-transparent participation in CVB Boards by local elected officials was slipped through, non-transparently, in a Bill with a wholly unrelated name.

Fortunately, Representatives Brinkman and Becker caught it. They spoke up and are now acting to address the most basic element in a way that will make clear the self-interest of anyone in opposition.

HB 761 simply and elegantly adds that if a CVB Board takes on elected officials, it must then be transparent on financial information and minutes. It is very narrow and very simple. And, it only applies when and if a CVB accepts government officials onto its Board.

Frankly, I think reasonable Ohioans would expect more than this Bill. But this Bill is crafted, I think, to make it simple and non-disruptive and to fix, in this session, an issue created in this session. CVBs and County Commissioners who appoint their Boards, under this Bill, completely control whether they must follow the transparency requirements by whom they appoint to their CVB Board.

Stepping back, the path to five Attorney General Opinions, HB 18, HB 761 and two Ohio Ethics Commission Letters all began because, in 2012, two Commissioners in Clermont County took over the CVB in a self-described “coup d’etat.” They replaced the majority of the CVB Board and two days later, fired and replaced the staff. The new head of the CVB was the former COO of one Commissioner’s company. The Board became dominated by government officials and cronies. The government officials departed the CVB Board and have not returned. The non-government cronies are still there.

This Bill, HB 761, would actually not impact that Board today because the government officials have left.

Why do I bring that up? HB 761 is very narrow and simple. I hope someday CVBs across Ohio would be transparent with the public because they think it is the right thing to do as stewards of public funds. Since that day will likely not happen on its own, I hope there is someday more comprehensive legislation to address public funds going into quasi-governmental institutions of which CVBs are one type.

In the interim, this bill addresses something done, in HB 18, and fixes it in the least disruptive way possible.

I would hope this is a non-partisan issue and that this committee would fully support this measure.

One final point, in the selling of HB 18, repeated representations were made that the re-participation of government officials on CVBs would add to transparency because those officials would disclose information in their financial disclosures. It was not true at the time, and I provided a letter from the Ohio Ethics Commission to that effect. Representatives Brinkman and Hambley had it re-confirmed. In an October 29, 2018 letter signed by Paul Nick of the Ethics Commission, he asserts that disclosure of trips and such taken by government officials on CVB Boards is not required. Mr. Nick claims that their official capacity hat comes off when they are on these Boards unless, effectively, they say it did not.

Again, I encourage that this Bill be supported by the entire committee. The public does have a right to know where public funds are spent, especially when government officials are directly involved.

Thank you.