

**As Reported by the House Government Accountability and Oversight  
Committee**

**132nd General Assembly**

**Regular Session  
2017-2018**

**Sub. H. B. No. 531**

**Representatives Schuring, Greenspan**

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**A BILL**

To amend sections 122.12, 122.121, and 5739.21 and  
to enact section 122.122 of the Revised Code to  
remove limitations on the amount of sports  
events grants that may be awarded in a fiscal  
year or for a specific grant, to modify  
eligibility requirements for such grants, and to  
fund the grant program from state sales tax  
receipts.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 122.12, 122.121, and 5739.21 be  
amended and section 122.122 of the Revised Code be enacted to  
read as follows:

**Sec. 122.12.** As used in this section and in ~~section~~  
sections 122.121 and 122.122 of the Revised Code:

(A) "Endorsing county" means a county that contains a site  
selected by a site selection organization for one or more games.

(B) "Endorsing municipality" means a municipal corporation  
that contains a site selected by a site selection organization  
for one or more games.

(C) "Game support contract" means a joinder undertaking, joinder agreement, or similar contract executed by an endorsing municipality or endorsing county and a site selection organization.

(D) ~~(1)~~ "Game" means a national or international competition ~~of football, auto racing, rugby, cricket, horse racing, mixed martial arts, boxing, or any sport that is governed by an international federation and included in at least one of the following:~~

~~(a) Olympic games;~~

~~(b) Pan American games;~~

~~(c) Commonwealth games.~~

~~(2) "Game" includes or other event, such as a player draft, associated with a sport, including the special olympics.~~

(E) "Joinder agreement" means an agreement entered into by a local organizing committee, endorsing municipality, or endorsing county, or more than one endorsing municipality or county acting collectively and a site selection organization setting out representations and assurances by each endorsing municipality or endorsing county in connection with the selection of a site in this state for the location of a game.

(F) "Joinder undertaking" means an agreement entered into by a local organizing committee, endorsing municipality, or endorsing county, or more than one endorsing municipality or county acting collectively and a site selection organization that each endorsing municipality or endorsing county will execute a joinder agreement in the event that the site selection organization selects a site in this state for a game.

(G) "Local organizing committee" means a nonprofit corporation or its successor in interest that:

(1) Has been authorized by an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively to pursue an application and bid on the applicant's behalf to a site selection organization for selection as the site of one or more games; or

(2) With the authorization of an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively, has executed an agreement with a site selection organization regarding a bid to host one or more games.

(H) "Site selection organization" means the national or international governing body of a sport that is recognized as such by the endorsing municipality, endorsing county, or local organizing committee.

(I) "Sport" means football, auto racing, rugby, cricket, horse racing, mixed martial arts, boxing, baseball, or any sport that is governed by an international federation and included in at least one of the following:

(a) Olympic games;

(b) Pan American games;

(c) Commonwealth games.

**Sec. 122.121.** (A) ~~If a~~ A local organizing committee, endorsing municipality, or endorsing county ~~enters that has entered~~ into a joinder undertaking with a site selection organization, ~~the local organizing committee, endorsing municipality, or endorsing county~~ with respect to a game that

has not been held in this state by the organization in either of 75  
the two preceding years and for which the organization accepts 76  
competitive bids to host may apply to the director of 77  
development services, on a form and in the manner prescribed by 78  
the director, for a grant from the sports event grant fund 79  
created under section 122.122 of the Revised Code. The amount of 80  
the grant shall be based on the projected incremental increase 81  
in the receipts from the tax imposed under section 5739.02 of 82  
the Revised Code within the market area designated under 83  
division (C) of this section, for the two-week period that ends 84  
at the end of the day after the date on which ~~a~~ the game will be 85  
held, that is directly attributable, as determined by the 86  
director, to the preparation for and presentation of the game. 87  
The director shall determine the projected incremental increase 88  
in the tax imposed under section 5739.02 of the Revised Code by 89  
using a formula approved ~~by the destination marketing~~ 90  
~~association international for event impact or another formula of~~ 91  
~~similar purpose approved~~ by the director in consultation with 92  
the tax commissioner. The local organizing committee, endorsing 93  
municipality, or endorsing county is eligible to receive a grant 94  
under this section only if the projected incremental increase in 95  
receipts from the tax imposed under section 5739.02 of the 96  
Revised Code, as determined by the director, exceeds two hundred 97  
fifty thousand dollars. The amount of the grant shall be paid 98  
from the sports event grant fund and shall be not less than 99  
fifty per cent of the projected incremental increase in 100  
receipts, as determined by the director, ~~but shall not exceed~~ 101  
~~five hundred thousand dollars~~. The director shall ~~not issue~~ 102  
~~grants with a total value of more than one million dollars in~~ 103  
~~any fiscal year, and shall not issue any grant before July 1,~~ 104  
~~2013~~ immediately certify to the tax commissioner the amount of 105  
any grant awarded under this section and shall disburse the 106

grant to the local organizing committee, endorsing municipality, 107  
or endorsing county from the sports event grant fund. 108

(B) If the director of development services approves an 109  
application for a local organizing committee, endorsing 110  
municipality, or endorsing county and that local organizing 111  
committee, endorsing municipality, or endorsing county enters 112  
into a joinder agreement with a site selection organization, the 113  
local organizing committee, endorsing municipality, or endorsing 114  
county shall file a copy of the joinder agreement with the 115  
director. The grant shall be used exclusively by the local 116  
organizing committee, endorsing municipality, or endorsing 117  
county to fulfill a portion of its obligations to a site 118  
selection organization under game support contracts, which 119  
obligations may include the payment of costs relating to the 120  
preparations necessary for the conduct of the game, including 121  
acquiring, renovating, or constructing facilities; to pay the 122  
costs of conducting the game; and to assist the local organizing 123  
committee, endorsing municipality, or endorsing county in 124  
providing assurances required by a site selection organization 125  
sponsoring one or more games. 126

(C) For the purposes of division (A) of this section, the 127  
director of development services, in consultation with the tax 128  
commissioner, shall designate the market area for a game. The 129  
market area shall consist of the combined statistical area, as 130  
defined by the United States office of management and budget, in 131  
which an endorsing municipality or endorsing county is located. 132

(D) A local organizing committee, endorsing municipality, 133  
or endorsing county shall provide information required by the 134  
director of development services and tax commissioner to enable 135  
the director and commissioner to fulfill their duties under this 136

section, including annual audited statements of any financial 137  
records required by a site selection organization and data 138  
obtained by the local organizing committee, endorsing 139  
municipality, or endorsing county relating to attendance at a 140  
game and to the economic impact of the game. A local organizing 141  
committee, an endorsing municipality, or an endorsing county 142  
shall provide an annual audited financial statement if so 143  
required by the director and commissioner, not later than the 144  
end of the fourth month after the date the period covered by the 145  
financial statement ends. 146

(E) Within thirty days after the game, the local 147  
organizing committee, endorsing municipality, or endorsing 148  
county shall report to the director of development services 149  
about the economic impact of the game. The report shall be in 150  
the form and substance required by the director, including, but 151  
not limited to, a final income statement for the event showing 152  
total revenue and expenditures and revenue and expenditures in 153  
the market area for the game, and ticket sales for the game and 154  
any related activities for which admission was charged. The 155  
director shall determine, based on the reported information and 156  
the exercise of reasonable judgment, the incremental increase in 157  
receipts from the tax imposed under section 5739.02 of the 158  
Revised Code directly attributable to the game. If the actual 159  
incremental increase in such receipts is less than the projected 160  
incremental increase in receipts, the director may require the 161  
local organizing committee, endorsing municipality, or endorsing 162  
county to refund to the state all or a portion of the grant. Any 163  
refund remitted under this division shall be credited to the 164  
general revenue fund. 165

(F) No disbursement may be made under this section if the 166  
director of development services determines that it would be 167

used for the purpose of soliciting the relocation of a 168  
professional sports franchise located in this state. 169

(G) This section may not be construed as creating or 170  
requiring a state guarantee of obligations imposed on an 171  
endorsing municipality or endorsing county under a game support 172  
contract or any other agreement relating to hosting one or more 173  
games in this state. 174

Sec. 122.122. There is hereby created in the state 175  
treasury the sports event grant fund, which shall consist of 176  
receipts from the tax levied under section 5739.02 of the 177  
Revised Code, as determined under section 5739.21 of the Revised 178  
Code. Money in the fund shall be used solely to make grants to a 179  
local organizing committee, endorsing municipality, or endorsing 180  
county under section 122.121 of the Revised Code. 181

**Sec. 5739.21.** (A) One hundred per cent of all money 182  
deposited into the state treasury under sections 5739.01 to 183  
5739.31 of the Revised Code that is not required to be 184  
distributed as provided in section 5739.102 of the Revised Code 185  
or division (B) or (E) of this section shall be credited to the 186  
general revenue fund. 187

(B) (1) In any case where any county or transit authority 188  
has levied a tax or taxes pursuant to section 5739.021, 189  
5739.023, or 5739.026 of the Revised Code, the tax commissioner 190  
shall, within forty-five days after the end of each month, 191  
determine and certify to the director of budget and management 192  
the amount of the proceeds of such tax or taxes received during 193  
that month from billings and assessments, or associated with tax 194  
returns or reports filed during that month, to be returned to 195  
the county or transit authority levying the tax or taxes. The 196  
amount to be returned to each county and transit authority shall 197

be a fraction of the aggregate amount of money collected with 198  
respect to each area in which one or more of such taxes are 199  
concurrently in effect with the tax levied by section 5739.02 of 200  
the Revised Code. The numerator of the fraction is the rate of 201  
the tax levied by the county or transit authority and the 202  
denominator of the fraction is the aggregate rate of such taxes 203  
applicable to such area. The amount to be returned to each 204  
county or transit authority shall be reduced by the amount of 205  
any refunds of county or transit authority tax paid pursuant to 206  
section 5739.07 of the Revised Code during the same month, or 207  
transfers made pursuant to division (B) (2) of section 5703.052 208  
of the Revised Code. 209

(2) On a periodic basis, using the best information 210  
available, the tax commissioner shall distribute any amount of a 211  
county or transit authority tax that cannot be distributed under 212  
division (B) (1) of this section. Through audit or other means, 213  
the commissioner shall attempt to obtain the information 214  
necessary to make the distribution as provided under that 215  
division and, on receipt of that information, shall make 216  
adjustments to distributions previously made under this 217  
division. 218

(3) Beginning July 1, 2008, eight and thirty-three one- 219  
hundredths of one per cent of the revenue collected from the tax 220  
due under division (A) of section 5739.029 of the Revised Code 221  
shall be distributed to the county where the sale of the motor 222  
vehicle is situated under section 5739.035 of the Revised Code. 223  
The amount to be so distributed to the county shall be 224  
apportioned on the basis of the rates of taxes the county levies 225  
pursuant to sections 5739.021 and 5739.026 of the Revised Code, 226  
as applicable, and shall be credited to the funds of the county 227  
as provided in divisions (A) and (B) of section 5739.211 of the 228



Revised Code.	229
(C) The aggregate amount to be returned to any county or transit authority shall be reduced by one per cent, which shall be certified directly to the credit of the local sales tax administrative fund, which is hereby created in the state treasury. For the purpose of determining the amount to be returned to a county and transit authority in which the rate of tax imposed by the transit authority has been reduced under section 5739.028 of the Revised Code, the tax commissioner shall use the respective rates of tax imposed by the county or transit authority that results from the change in the rates authorized under that section.	230 231 232 233 234 235 236 237 238 239 240
(D) The director of budget and management shall transfer, from the same funds and in the same proportions specified in division (A) of this section, to the permissive tax distribution fund created by division (B)(1) of section 4301.423 of the Revised Code and to the local sales tax administrative fund, the amounts certified by the tax commissioner. The tax commissioner shall then, on or before the twentieth day of the month in which such certification is made, provide for payment of such respective amounts to the county treasurer and to the fiscal officer of the transit authority levying the tax or taxes. The amount transferred to the local sales tax administrative fund is for use by the tax commissioner in defraying costs incurred in administering such taxes levied by a county or transit authority.	241 242 243 244 245 246 247 248 249 250 251 252 253 254
<u>(E) The tax commissioner shall provide for payment of receipts from the tax levied under section 5739.02 of the Revised Code to the sports event grant fund created in section 122.122 of the Revised Code equal to any grant amount certified</u>	255 256 257 258

to the commissioner under division (A) of section 122.121 of the 259  
Revised Code. The commissioner may adopt rules prescribing the 260  
period over which that payment shall be made. 261

**Section 2.** That existing sections 122.12, 122.121, and 262  
5739.21 of the Revised Code are hereby repealed. 263