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Senate Ways and Means Committee
Senate Bill 186 Sponsor Testimony
Create a music incubator program, certain sales tax rebates
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Chairman Blessing, Vice Chairman Roegner, Ranking Member DeMora and members of the Ways and Means Committee. I greatly appreciate the opportunity to provide sponsor testimony in support of SB 186 which would support Ohio's 312 small music venues and music festivals. My testimony includes an overview of the legislation and a review of three studies that support the need to enact Senate Bill 186.

Senate Bill 186 overview

Broadly, Senate Bill 186 would take a portion of the sales tax revenues generated on alcohol sales at qualifying venues which would go into a special fund administered by the Department of Development. Those funds would be earmarked for venues which could apply for a rebate of up to \$100,000 per venue. The program would be capped at 10 million a year. Basically, this legislation directs a portion of the benefits of the taxes raised to be reinvested where the taxes originated.

What the studies say - the need for Senate Bill 186

Local music matters to communities and our economy, as documented by two studies from 2010 and research released this month.

The Knight Foundation released a study in 2010 called "The Knight Soul of the Community – why People Love Where They Live and Why It Matters – a National Perspective." They examined 26 cities across the United States for three years. They concluded that their "Study has found a positive correlation between community attachment and local GDP growth." They said that "Community Attachment" had 3 major factors: 1. Aesthetics, 2. Openness and 3. Social Offerings. Social Offerings included two things: 1. Vibrant Nightlife and 2. The Availability of Arts and Cultural Opportunities.

This supports the premise that SB 186 will support local economic activity and therefore (as the Knight study concluded) stimulate state and local GDP growth.

The other 2010 research was the ReMix study by Cleveland State University. It also supported the Knight Foundation analysis that SB 186 would not just help Ohio's music industry but also its broader economy.

The CSU study was an examination of the Northeast Ohio music industry and an analysis of scholarly research on the topic. In the report's Executive Summary, the authors wrote, "There is a growing awareness of the economic impact that a creative and entrepreneurial workforce can have on economic outcomes. Art, in all its forms, can provide a region with a "sticky," or long lasting, regional competitive advantage that is attractive to creative people."

The most recent analysis on the need to support Ohio's small music operations comes from the National Independent Venue Association's The State of Live report (October 2025). According to the report, Ohio's independent music small businesses contributed \$1.5 billion to Ohio's GDP in 2024, and generated \$3 billion in total economic output, and served over 5 million fans. The industry directly employs over 10,000 people, and supports over 21,000 total jobs, generating over \$950 million in wages and benefits across the state. Ohio's independent stages bring in \$190 million in direct off-site tourism dollars and contribute over \$122 million in state and local taxes.

Ohio's independent venue sector ranks among the top ten states in terms of Contribution to GDP (10th), Economic Output (10th), Fans Served (9th), Jobs Supported (9th), Wages & Benefits (9th) and Industry Employees (7th). Ohio has 312 independent venues & festivals, which ranks (9th) nationally. This number includes 268 independent venues (10th) and 44 independent music festivals (7th).

But the State of the Live report also highlighted the need for SB186 as it also concluded that only 20% of Ohio's independent venues identified themselves as profitable in 2024. This underscores the need for SB 186 to keep these community development catalysts sustainable.

Therefore, I would ask this Committee to support Seante Bill 186 to help sustain these 268 venues across Ohio and this states music festivals. Mr. Chairman, I know that proponents of this legislation would welcome the opportunity to explain the positive impact of Senate Bill 186. I appreciate the Committees kind interest and attention and would welcome any questions at this time.