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H.B. 292
136th General Assembly

Bill Analysis

Version: As Introduced (I_136_0264-2)

Primary Sponsors: Reps. T. Mathews and Santucci

Daniel DeSantis, Research Analyst

SUMMARY

- Establishes the Ohio Defense Commission.
- Establishes the Defense Industry Expansion Program under which the Ohio Defense Commission may make grants to support economic development related to the defense industry.
- Establishes the Ohio Defense Fund and specifies allocation requirements for money in the fund.
- Requires that any revenue from interest earned on bonds of the State of Israel, in the state treasury, be deposited into the Ohio Defense Fund.

DETAILED ANALYSIS

Ohio Defense Commission

Establishment and duties

The bill establishes the Ohio Defense Commission to consider strategies to promote the defense industry in Ohio. The bill enumerates the following Commission duties:

1. Administering the Defense Industry Expansion Program (see “**Defense Industry Expansion Program**” below);
2. Administering and approving the expenditure of money from the Ohio Defense Fund;
3. Studying and developing comprehensive strategies to promote the defense industry throughout Ohio;
4. Encouraging communication and resource-sharing among individuals and organizations involved in the defense industry, including business, the military, and academia;

5. Preparing the state for favorable outcomes related to federal military base realignment and closure processes;
6. Recruiting international businesses to invest in Ohio for defense industry purposes;
7. Promoting research, development, and manufacturing of technology to counter unmanned aerial vehicle systems in Ohio;
8. Considering policies intended to improve quality of life for service members and veterans.¹

The bill authorizes the Commission to consult with members of the Ohio congressional delegation and to invite members of the delegation to speak before the Commission or to participate in Commission meetings. Members of Congress who participate in Commission meetings serve in a nonvoting capacity.²

Defense Industry Expansion Program

The bill requires the Ohio Defense Commission to administer a Defense Industry Expansion Program under which the Commission may make grants to support economic development related to the defense industry. The Commission must adopt rules under the Administrative Procedure Act³ necessary to administer the program. The rules must establish all of the following:

1. An application form and procedures governing the process for applying to receive a grant;
2. The maximum grant amount allowed, and the maximum portion of the total estimated project cost that must be funded by the grant;
3. Any other procedures, criteria, or grant terms that the Commission determines necessary to administer the program.⁴

Annual report

The Commission is required to compile an annual report of its activities, findings, and recommendations and to furnish the report to the Governor, the Senate President, and the Speaker of the House of Representatives by December 31 each year.⁵

Commission membership

The bill specifies that the Commission must consist of the following members:

- The Adjutant General, to serve ex officio as a nonvoting member;

¹ R.C. 122.98(A) and (B).

² R.C. 122.98(H).

³ Chapter 119 of the Revised Code, not in the bill.

⁴ R.C. 122.981.

⁵ R.C. 122.98(I).

- One member from the Office of the Governor, appointed by the Governor, to serve as a nonvoting member;
- The chief investment officer of JobsOhio, or the officer's designee, to serve as a nonvoting member;
- One member of the Ohio congressional delegation, appointed by the Governor, to serve as a nonvoting member;
- One member to represent the Ohio Chamber of Commerce, appointed by the Governor, to serve as a nonvoting member;
- Three members of the Senate, two appointed by the Senate President and one appointed by the Senate Minority Leader;
- Three members of the House of Representatives, two appointed by the Speaker of the House and one appointed by the House Minority Leader;
- Seven individuals to represent various regions of Ohio, appointed as follows:
 - The members of the General Assembly, who are Commission members, by vote appoint seven individuals to the Commission to respectively represent each of the seven unique regions of Ohio as have been identified by JobsOhio. All members of the Commission must recommend individuals qualified to represent the regions.⁶

Terms

Commission members who are appointed serve two-year terms. The legislative members of the Commission serve for the duration of the member's legislative term. Members may be reappointed. A member may be removed from service on the Commission by the member's appointing authority. Vacancies must be filled in the manner of the original appointment.⁷

Compensation and expenses

The Commission members appointed to represent various regions of Ohio, and to represent the Ohio Chamber of Commerce, must be paid the rate established by the Department of Administrative Services. All other Commission members are not entitled to compensation. All Commission members are entitled to their actual and necessary expenses incurred in the performance of their duties as such members, payable from the appropriations for the Commission.⁸

⁶ R.C. 122.98(C) and (D).

⁷ R.C. 122.98(F).

⁸ R.C. 122.98(E); R.C. 124.15(J), not in the bill.

Frequency of meeting; chairperson

The Speaker of the House must select a Commission member, who is a member of the House, to call the first meeting of the Commission, at which Commission members must select a chairperson. The bill requires the Commission to meet at least once per month.⁹

Ohio Defense Fund

The bill establishes the Ohio Defense Fund in the state treasury. The fund will consist of money appropriated to it by the General Assembly, revenue from interest earned on bonds of the State of Israel, all grants, gifts, and contributions made to the Director of Development and designated for purposes of the Ohio Defense Commission, and investment earnings on money in the fund, which must be credited to the fund.

Money in the fund must be expended to support each of the following:

1. The development and construction of facilities including, but not limited to, sensitive compartmented information facilities (SCIFs), for processing sensitive or classified information;
2. The development of defense related government contracts for small businesses;
3. Advocating and matching of grant programs to promote state defense military projects.¹⁰

Bonds of the State of Israel

The bill requires that any revenue from interest earned on bonds of the State of Israel, whenever such bonds exist in the state treasury, be deposited, by the State Treasurer, into the Ohio Defense Fund.¹¹

HISTORY

Action	Date
Introduced	05-20-25

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⁹ R.C. 122.98(G).

¹⁰ R.C. 122.98(J).

¹¹ R.C. 113.052.