

As Reported by the Senate Workforce Development Committee

136th General Assembly

Regular Session

2025-2026

Sub. H. B. No. 292

Representatives Mathews, T., Santucci

Cosponsors: Representatives Fischer, Newman, Click, Hoops, Hall, T., Deeter, Workman, Richardson, Craig, Dovilla, Ghanbari, Hall, D., Holmes, Lampton, Abrams, Brennan, Brownlee, Daniels, Hiner, John, King, Klopfenstein, Lawson-Rowe, Lear, Lorenz, Mathews, A., Miller, J., Miller, K., Miller, M., Odioso, Plummer, Ritter, Roemer, Rogers, Schmidt, Sigrist, Stephens, Stewart, Thomas, C., Thomas, D., Tims, White, A., Willis, Young

Senator Koehler

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To enact sections 122.952, 122.953, and 122.954 of
the Revised Code to establish the Ohio Defense
and Space Advisory Commission and the Defense
and Aerospace Industries Expansion Program,
under which the Department of Development may
make grants, and to make an appropriation.

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

Section 1. That sections 122.952, 122.953, and 122.954 of
the Revised Code be enacted to read as follows:

Sec. 122.952. (A) The Ohio defense and space advisory
commission is created within the department of development. The
commission shall consider strategies to promote the defense and
aerospace industries in this state.

(B) The duties of the Ohio defense and space advisory
commission include the following:

(1) Advising the department of development on administration of the defense and aerospace industries expansion program under section 122.953 of the Revised Code, which may include recommending specific projects for grant consideration; 15
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(2) Studying and developing comprehensive strategies to promote the defense and aerospace industries throughout the state; 19
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(3) Encouraging communication and resource-sharing among individuals and organizations involved in the defense and aerospace industries, including business, the military, and academia; 22
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(4) Issuing recommendations to the department of development regarding how to prepare the state for favorable outcomes related to federal military base realignment and closure processes and how to recruit international businesses to invest in the state for defense and aerospace industry purposes; 26
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(5) Promoting research, development, and manufacturing of technology to counter unmanned aerial vehicle systems in the state; 31
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(6) Considering policies intended to improve quality of life for service members and veterans. 34
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(C) Meetings of the Ohio defense and space advisory commission shall comply with section 121.22 of the Revised Code. Commencing in calendar year 2027, the commission shall meet at least six times per year. 36
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(D) The Ohio defense and space advisory commission shall consist of the following members: 40
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(1) The director of development, who shall serve as the 42

<u>chairperson of the commission;</u>	43
<u>(2) The adjutant general;</u>	44
<u>(3) Two members of the senate appointed by the president</u>	45
<u>of the senate, one of whom shall be of the majority party and</u>	46
<u>one of whom shall be of the minority party;</u>	47
<u>(4) Two members of the house of representatives appointed</u>	48
<u>by the speaker of the house of representatives, one of whom</u>	49
<u>shall be of the majority party and one of whom shall be of the</u>	50
<u>minority party;</u>	51
<u>(5) One individual with a background in or a knowledge of</u>	52
<u>defense or aerospace industries, appointed by the governor;</u>	53
<u>(6) One individual with a background in or a knowledge of</u>	54
<u>defense or aerospace industries, appointed by the president of</u>	55
<u>the senate;</u>	56
<u>(7) One individual with a background in or a knowledge of</u>	57
<u>defense or aerospace industries, appointed by the speaker of the</u>	58
<u>house of representatives.</u>	59
<u>Appointed members shall have no conflict of interest with</u>	60
<u>the position. For purposes of this section, "conflict of</u>	61
<u>interest" means taking any action that violates any provision of</u>	62
<u>Chapter 102. or 2921. of the Revised Code. A member of the</u>	63
<u>commission is deemed a public official for purposes of Chapter</u>	64
<u>2921. of the Revised Code.</u>	65
<u>No other individuals shall serve on the Ohio defense and</u>	66
<u>space advisory commission ex-officio.</u>	67
<u>(E) The commission members are not entitled to</u>	68
<u>compensation. All commission members are entitled to their</u>	69
<u>actual and necessary expenses incurred in the performance of</u>	70

their duties as such members, payable from the appropriations 71
for the commission. 72

(F) Appointed commission members shall serve two year 73
terms. Members of the general assembly who are appointed to the 74
commission shall serve on the commission for the duration of the 75
member's legislative term. Members may be reappointed. A member 76
may be removed from service on the commission by the member's 77
appointing authority. Vacancies shall be filled in the manner of 78
the original appointment. 79

(G) The commission shall compile an annual report of its 80
activities, findings, and recommendations and shall furnish a 81
copy of the report to the governor, director of development, 82
president of the senate, and speaker of the house of 83
representatives not later than the thirty-first day of December 84
of each year. 85

Sec. 122.953. (A) The department of development shall 86
administer a defense and aerospace industries expansion program 87
under which the department may make development grants to 88
support economic development related to the defense and 89
aerospace industries. 90

(B) The department shall adopt rules in accordance with 91
Chapter 119. of the Revised Code that are necessary for the 92
administration of the defense and aerospace industries expansion 93
program. The rules shall establish all of the following: 94

(1) A requirement that a development grant agreement be 95
executed between the department and a grant recipient; 96

(2) The minimum requirements for a development grant 97
agreement; 98

(3) An application form and procedures governing the 99

process for applying to receive a development grant under the 100
program; 101

(4) The maximum grant amount allowed under the program, 102
and the maximum portion of the total estimated project cost that 103
shall be funded by the grant; 104

(5) Any other procedures, criteria, or grant terms that 105
the department determines necessary to administer the program. 106

Sec. 122.954. (A) As used in this section, "grantee" means 107
a recipient of anything of value under a development grant 108
agreement with the department of development under section 109
122.953 of the Revised Code. 110

(B) Development grant funds shall only be expended by the 111
grantee to whom the grant was awarded, and all development grant 112
funds must be expended or obligated by a grantee in accordance 113
with the development grant agreement. Any development grant 114
funds not expended or obligated pursuant to the development 115
grant agreement shall be returned to the department of 116
development. If the department determines that a grantee has 117
violated any terms of the development grant agreement, the 118
department may require the grantee to return any and all 119
development grant funds. 120

(C) A final report accounting for all development grant 121
funds received by a grantee shall be submitted to the department 122
of development and to the Ohio defense and space advisory 123
commission not later than thirty days after all development 124
grant funds have been expended or obligated. All expenditures 125
and disbursements of development grant funds by a grantee shall 126
be subject to generally accepted accounting principles. Any 127
equipment purchased with development grant funds shall be 128

retained by the grantee and used in accordance with the terms of 129
the grant award for the useful life of the equipment. 130

(D) At any time, the department of development may require 131
that the grantee undergo an audit of the project administration 132
and implementation. Within ten days after a request by the 133
department, a grantee shall supply original or verifiable copies 134
of all receipts and other appropriate documentation related to 135
disposition of the development grant funds and make available 136
for onsite inspection by the department any and all records, 137
books, documents and financial reports upon reasonable notice. 138
The grantee shall retain these materials in the offices of the 139
grantee for two years from the acceptance of the project final 140
report. 141

Section 2. All items in this act are hereby appropriated 142
as designated out of any moneys in the state treasury to the 143
credit of the designated fund. For all operating appropriations 144
made in this act, those in the first column are for fiscal year 145
2026 and those in the second column are for fiscal year 2027. 146
The operating appropriations made in this act are in addition to 147
any other operating appropriations made for these fiscal years. 148

Section 3. 149
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A	DEV DEPARTMENT OF DEVELOPMENT				
B	General Revenue Fund				
C	GRF	195462	Defense & Aerospace Industries	\$0	\$5,000,000
D	General Revenue Fund Total			\$0	\$5,000,000

E TOTAL ALL BUDGET FUND GROUPS \$0 \$5,000,000

DEFENSE & AEROSPACE INDUSTRIES 151

The foregoing appropriation item 195462, Defense & 152
Aerospace Industries, shall be used to support the Defense and 153
Aerospace Industries Expansion Program and the Ohio Defense and 154
Space Advisory Commission established in sections 122.952 155
through 122.954 of the Revised Code. 156

Section 4. Within the limits set forth in this act, the 157
Director of Budget and Management shall establish accounts 158
indicating the source and amount of funds for each appropriation 159
made in this act, and shall determine the manner in which 160
appropriation accounts shall be maintained. Expenditures from 161
operating appropriations contained in this act shall be 162
accounted for as though made in, and are subject to all 163
applicable provisions of, H.B. 96 of the 136th General Assembly. 164