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H.B. 779
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Rader and Pizzuli

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SUMMARY

- Repeals the current JobsOhio audit requirements.
- Requires the Auditor of State to audit JobsOhio every two years.
- Requires JobsOhio annually to disclose corporate partnerships and media sponsorships.
- Prohibits the state from extending JobsOhio's enterprise acquisition project agreement unless certain conditions are met.
- Requires the chief investment officer of JobsOhio annually to provide a report and testimony to the General Assembly regarding the operations of JobsOhio.
- Declares the General Assembly's intent for JobsOhio.
- Names the bill the "JobsOhio Transparency Act."

DETAILED ANALYSIS

Introduction

The bill adds additional requirements to the law regarding JobsOhio and the JobsOhio Beverage System. JobsOhio is a nonprofit corporation formed under Ohio law to contractually carry out certain functions and duties, including operating and managing various economic development programs, offices, divisions, or boards.¹ JobsOhio is funded from the profits on sales of spirituous liquor in Ohio, which it receives through its long-term lease of the state's liquor franchise via the JobsOhio Beverage System (JOBS).²

¹ R.C. 187.01 and 187.04.

² R.C. Chapter 4313; see also JobsOhio [About Us](#).

Audit

Under current law, JobsOhio is required to have an audit committee comprised of directors of the corporation. The committee must hire a firm of independent certified public accountants, selected in consultation with the Auditor of State, to perform an annual audit and compliance and control review of JobsOhio and JOBS. The audit report and compliance and control review report must be provided to the Governor, the Auditor of State, the Speaker of the House, and the Senate President.³

The bill removes the current auditing requirements.⁴ Instead, the bill requires the Auditor of State to audit JobsOhio and JOBS once every two years in accordance with the State Audit Law. In addition to auditing JobsOhio's and JOBS' records for accuracy and legality, the audit also must include all of the following information: (1) the average salary of JobsOhio employees, (2) the total number of JobsOhio employees, and (3) the number of employees that make at least four times the median Ohio per capita income, as determined by the most recent census data.⁵

The Auditor of State is required to submit the results of the audit in writing to the Governor, the Speaker and Minority Leader of the House, and the Senate President and Minority Leader.⁶

Disclosure

The bill also requires JobsOhio annually to disclose on its public website all the corporations it sponsors and all its media partners. The disclosure must include all of the following: (1) the name of the corporation sponsored or media partner, (2) the amount of funds provided to the corporation or media partner, (3) the name of the individual who approved the partnership or sponsorship, (4) a conflict of interest check, and (5) whether any public employee or official was involved in the arrangement.⁷

Noncompliance

The bill provides that if JobsOhio fails to comply with the bill's auditing or disclosure requirements, as determined by a two-thirds majority vote of the Controlling Board, the Controlling Board may not release or transfer any funds to JobsOhio. Subsequently, a Controlling Board member can make a motion during any Controlling Board meeting for a vote on whether JobsOhio has come into compliance with the bill's requirements. If the Controlling Board then determines, by a two-thirds vote, that JobsOhio is in compliance with the bill's auditing and disclosure requirements, it is required to release or transfer the funds to JobsOhio.⁸

³ R.C. 187.01(J).

⁴ R.C. 187.01 and 187.04.

⁵ R.C. 117.57(A).

⁶ R.C. 117.57(B).

⁷ R.C. 187.15.

⁸ R.C. 127.20.

Liquor franchise lease extension

Under current law, the state may extend JobsOhio’s lease of the state liquor franchise for an additional 15 years. The bill prohibits such an extension absent a public hearing on the extension, an independent valuation of the franchise to determine its fair market value, and an agreement by JobsOhio to pay an amount equal to the fair market value of the franchise in exchange for the extension.⁹

Reporting

The bill also requires the chief investment officer of JobsOhio to appear annually and testify before the standing committees of the House and Senate to which matters dealing with finance and appropriations generally are referred (House Finance and Senate Finance for the 136th General Assembly). Before or at that time, the chief investment officer must submit all of the following information to the committees: (1) a summary of each project that received funding from JobsOhio in the preceding 12 months, (2) the amount of funding that each such project received, and (3) the county in which the project was located or in which it primarily operated.¹⁰

Intent

The bill declares that it is the intent of the General Assembly to ensure that as a state-created entity, JobsOhio utilizes spirituous liquor profits that belong to Ohioans in a manner that is responsible and prudent, as well as free from waste, fraud, or abuse.¹¹

Act title

The bill is entitled the “JobsOhio Transparency Act.”¹²

HISTORY

Action	Date
Introduced	03-24-26

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⁹ R.C. 4313.02(A)(2).

¹⁰ R.C. 4313.02(H).

¹¹ R.C. 4313.02(I).

¹² Section 3 of the bill.