

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 271

Senators Kunze, Eklund

A BILL

To amend sections 122.12, 122.121, and 5739.21 and 1
to enact section 122.122 of the Revised Code to 2
remove limitations on the amount of sports 3
events grants that may be awarded in a fiscal 4
year or for a specific grant, and to fund the 5
grant program by diverting state sales tax 6
receipts to a custodial fund administered by the 7
Director of Development Services. 8

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

Section 1. That sections 122.12, 122.121, and 5739.21 be 9
amended and section 122.122 of the Revised Code be enacted to 10
read as follows: 11

Sec. 122.12. As used in this section and in ~~section~~ 12
sections 122.121 and 122.122 of the Revised Code: 13

(A) "Endorsing county" means a county that contains a site 14
selected by a site selection organization for one or more games. 15

(B) "Endorsing municipality" means a municipal corporation 16
that contains a site selected by a site selection organization 17
for one or more games. 18

(C) "Game support contract" means a joinder undertaking, 19
joinder agreement, or similar contract executed by an endorsing 20
municipality or endorsing county and a site selection 21
organization. 22

(D) (1) "Game" means a national or international 23
competition of football, auto racing, rugby, cricket, horse 24
racing, mixed martial arts, boxing, or any sport that is 25
governed by an international federation and included in at least 26
one of the following: 27

(a) Olympic games; 28

(b) Pan American games; 29

(c) Commonwealth games. 30

(2) "Game" includes the special olympics. 31

(E) "Joinder agreement" means an agreement entered into by 32
a local organizing committee, endorsing municipality, or 33
endorsing county, or more than one endorsing municipality or 34
county acting collectively and a site selection organization 35
setting out representations and assurances by each endorsing 36
municipality or endorsing county in connection with the 37
selection of a site in this state for the location of a game. 38

(F) "Joinder undertaking" means an agreement entered into 39
by a local organizing committee, endorsing municipality, or 40
endorsing county, or more than one endorsing municipality or 41
county acting collectively and a site selection organization 42
that each endorsing municipality or endorsing county will 43
execute a joinder agreement in the event that the site selection 44
organization selects a site in this state for a game. 45

(G) "Local organizing committee" means a nonprofit 46

corporation or its successor in interest that: 47

(1) Has been authorized by an endorsing municipality, 48
endorsing county, or more than one endorsing municipality or 49
county acting collectively to pursue an application and bid on 50
the applicant's behalf to a site selection organization for 51
selection as the site of one or more games; or 52

(2) With the authorization of an endorsing municipality, 53
endorsing county, or more than one endorsing municipality or 54
county acting collectively, has executed an agreement with a 55
site selection organization regarding a bid to host one or more 56
games. 57

(H) "Site selection organization" means the national or 58
international governing body of a sport that is recognized as 59
such by the endorsing municipality, endorsing county, or local 60
organizing committee. 61

Sec. 122.121. (A) If a local organizing committee, 62
endorsing municipality, or endorsing county enters into a 63
joinder undertaking with a site selection organization, the 64
local organizing committee, endorsing municipality, or endorsing 65
county may apply to the director of development services, on a 66
form and in the manner prescribed by the director, for a grant 67
from the sports event grant fund created under section 122.122 68
of the Revised Code. The amount of the grant shall be based on 69
the projected incremental increase in the receipts from the tax 70
imposed under section 5739.02 of the Revised Code within the 71
market area designated under division (C) of this section, for 72
the two-week period that ends at the end of the day after the 73
date on which a game will be held, that is directly 74
attributable, as determined by the director, to the preparation 75
for and presentation of the game. The director shall determine 76

the projected incremental increase in the tax imposed under 77
section 5739.02 of the Revised Code by using a formula approved 78
by the destination marketing association international for event 79
impact or another formula of similar purpose approved by the 80
director. The local organizing committee, endorsing 81
municipality, or endorsing county is eligible to receive a grant 82
under this section only if the projected incremental increase in 83
receipts from the tax imposed under section 5739.02 of the 84
Revised Code, as determined by the director, exceeds two hundred 85
fifty thousand dollars. The amount of the grant shall be paid 86
from the sports event grant fund and shall be not less than 87
fifty per cent of the projected incremental increase in 88
receipts, as determined by the director, ~~but shall not exceed~~ 89
~~five hundred thousand dollars.~~ The director shall ~~not issue~~ 90
~~grants with a total value of more than one million dollars in~~ 91
~~any fiscal year, and shall not issue any grant before July 1,~~ 92
~~2013~~immediately certify to the tax commissioner the amount of 93
any grant awarded under this section and shall disburse the 94
grant to the local organizing committee, endorsing municipality, 95
or endorsing county once sufficient funds are available in the 96
sports event grant fund to do so. 97

(B) If the director of development services approves an 98
application for a local organizing committee, endorsing 99
municipality, or endorsing county and that local organizing 100
committee, endorsing municipality, or endorsing county enters 101
into a joinder agreement with a site selection organization, the 102
local organizing committee, endorsing municipality, or endorsing 103
county shall file a copy of the joinder agreement with the 104
director. The grant shall be used exclusively by the local 105
organizing committee, endorsing municipality, or endorsing 106
county to fulfill a portion of its obligations to a site 107

selection organization under game support contracts, which 108
obligations may include the payment of costs relating to the 109
preparations necessary for the conduct of the game, including 110
acquiring, renovating, or constructing facilities; to pay the 111
costs of conducting the game; and to assist the local organizing 112
committee, endorsing municipality, or endorsing county in 113
providing assurances required by a site selection organization 114
sponsoring one or more games. 115

(C) For the purposes of division (A) of this section, the 116
director of development services, in consultation with the tax 117
commissioner, shall designate the market area for a game. The 118
market area shall consist of the combined statistical area, as 119
defined by the United States office of management and budget, in 120
which an endorsing municipality or endorsing county is located. 121

(D) A local organizing committee, endorsing municipality, 122
or endorsing county shall provide information required by the 123
director of development services and tax commissioner to enable 124
the director and commissioner to fulfill their duties under this 125
section, including annual audited statements of any financial 126
records required by a site selection organization and data 127
obtained by the local organizing committee, endorsing 128
municipality, or endorsing county relating to attendance at a 129
game and to the economic impact of the game. A local organizing 130
committee, an endorsing municipality, or an endorsing county 131
shall provide an annual audited financial statement if so 132
required by the director and commissioner, not later than the 133
end of the fourth month after the date the period covered by the 134
financial statement ends. 135

(E) Within thirty days after the game, the local 136
organizing committee, endorsing municipality, or endorsing 137

county shall report to the director of development services 138
about the economic impact of the game. The report shall be in 139
the form and substance required by the director, including, but 140
not limited to, a final income statement for the event showing 141
total revenue and expenditures and revenue and expenditures in 142
the market area for the game, and ticket sales for the game and 143
any related activities for which admission was charged. The 144
director shall determine, based on the reported information and 145
the exercise of reasonable judgment, the incremental increase in 146
receipts from the tax imposed under section 5739.02 of the 147
Revised Code directly attributable to the game. If the actual 148
incremental increase in such receipts is less than the projected 149
incremental increase in receipts, the director may require the 150
local organizing committee, endorsing municipality, or endorsing 151
county to refund to the state all or a portion of the grant. Any 152
refund remitted under this division shall be credited to the 153
general revenue fund. 154

(F) No disbursement may be made under this section if the 155
director of development services determines that it would be 156
used for the purpose of soliciting the relocation of a 157
professional sports franchise located in this state. 158

(G) This section may not be construed as creating or 159
requiring a state guarantee of obligations imposed on an 160
endorsing municipality or endorsing county under a game support 161
contract or any other agreement relating to hosting one or more 162
games in this state. 163

Sec. 122.122. There is hereby created the sports event 164
grant fund, which shall be in the custody of the treasurer of 165
state but shall not be part of the state treasury. The fund 166
shall consist of receipts from the tax levied under section 167

5739.02 of the Revised Code, as determined under section 5739.21 168
of the Revised Code. Money in the fund shall be used solely to 169
make grants to a local organizing committee, endorsing 170
municipality, or endorsing county under section 122.121 of the 171
Revised Code. The treasurer of state shall disburse money from 172
the fund for that purpose on order of the director of 173
development services. 174

Sec. 5739.21. (A) One hundred per cent of all money 175
deposited into the state treasury under sections 5739.01 to 176
5739.31 of the Revised Code that is not required to be 177
distributed as provided in section 5739.102 of the Revised Code 178
or division (B) or (E) of this section shall be credited to the 179
general revenue fund. 180

(B) (1) In any case where any county or transit authority 181
has levied a tax or taxes pursuant to section 5739.021, 182
5739.023, or 5739.026 of the Revised Code, the tax commissioner 183
shall, within forty-five days after the end of each month, 184
determine and certify to the director of budget and management 185
the amount of the proceeds of such tax or taxes received during 186
that month from billings and assessments, or associated with tax 187
returns or reports filed during that month, to be returned to 188
the county or transit authority levying the tax or taxes. The 189
amount to be returned to each county and transit authority shall 190
be a fraction of the aggregate amount of money collected with 191
respect to each area in which one or more of such taxes are 192
concurrently in effect with the tax levied by section 5739.02 of 193
the Revised Code. The numerator of the fraction is the rate of 194
the tax levied by the county or transit authority and the 195
denominator of the fraction is the aggregate rate of such taxes 196
applicable to such area. The amount to be returned to each 197
county or transit authority shall be reduced by the amount of 198

any refunds of county or transit authority tax paid pursuant to 199
section 5739.07 of the Revised Code during the same month, or 200
transfers made pursuant to division (B) (2) of section 5703.052 201
of the Revised Code. 202

(2) On a periodic basis, using the best information 203
available, the tax commissioner shall distribute any amount of a 204
county or transit authority tax that cannot be distributed under 205
division (B) (1) of this section. Through audit or other means, 206
the commissioner shall attempt to obtain the information 207
necessary to make the distribution as provided under that 208
division and, on receipt of that information, shall make 209
adjustments to distributions previously made under this 210
division. 211

(3) Beginning July 1, 2008, eight and thirty-three one- 212
hundredths of one per cent of the revenue collected from the tax 213
due under division (A) of section 5739.029 of the Revised Code 214
shall be distributed to the county where the sale of the motor 215
vehicle is sitused under section 5739.035 of the Revised Code. 216
The amount to be so distributed to the county shall be 217
apportioned on the basis of the rates of taxes the county levies 218
pursuant to sections 5739.021 and 5739.026 of the Revised Code, 219
as applicable, and shall be credited to the funds of the county 220
as provided in divisions (A) and (B) of section 5739.211 of the 221
Revised Code. 222

(C) The aggregate amount to be returned to any county or 223
transit authority shall be reduced by one per cent, which shall 224
be certified directly to the credit of the local sales tax 225
administrative fund, which is hereby created in the state 226
treasury. For the purpose of determining the amount to be 227
returned to a county and transit authority in which the rate of 228

tax imposed by the transit authority has been reduced under 229
section 5739.028 of the Revised Code, the tax commissioner shall 230
use the respective rates of tax imposed by the county or transit 231
authority that results from the change in the rates authorized 232
under that section. 233

(D) The director of budget and management shall transfer, 234
from the same funds and in the same proportions specified in 235
division (A) of this section, to the permissive tax distribution 236
fund created by division (B)(1) of section 4301.423 of the 237
Revised Code and to the local sales tax administrative fund, the 238
amounts certified by the tax commissioner. The tax commissioner 239
shall then, on or before the twentieth day of the month in which 240
such certification is made, provide for payment of such 241
respective amounts to the county treasurer and to the fiscal 242
officer of the transit authority levying the tax or taxes. The 243
amount transferred to the local sales tax administrative fund is 244
for use by the tax commissioner in defraying costs incurred in 245
administering such taxes levied by a county or transit 246
authority. 247

(E) The tax commissioner shall provide for payment of 248
receipts from the tax levied under section 5739.02 of the 249
Revised Code, before those receipts are credited to the general 250
revenue fund, to the sports event grant fund created in section 251
122.122 of the Revised Code equal to any grant amount certified 252
to the commissioner under division (A) of section 122.121 of the 253
Revised Code. 254

Section 2. That existing sections 122.12, 122.121, and 255
5739.21 of the Revised Code are hereby repealed. 256