



# Ohio Legislative Service Commission

## Bill Analysis

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### H.B. 175

131st General Assembly  
(As Introduced)

Rep. Barnes

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## BILL SUMMARY

- Establishes the "Access to Global Market Opportunities for Ohio Manufactured Products Program" to promote trade and industrial development, attract foreign investment, facilitate use of ports, and pursue certain other trade- and development-related objectives.
- Establishes, as a component of the Program, the "Ohio Global Leadership Initiative" whereby members of Ohio District Export Councils are appointed as Consulates to help Ohio businesses enter or expand into foreign markets.
- Establishes, as a component of the Program, the "Global Initiative on International Relations" whereby Ohio Commodores and members of the General Assembly are appointed to promote Ohio's education, economy, diplomacy, humanity, and legislative initiatives and to build and manage relationships with foreign governments.
- Makes an appropriation.

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## CONTENT AND OPERATION

### Access to Global Market Opportunities for Ohio Manufactured Products Program

The bill establishes the "Access to Global Market Opportunities for Ohio Manufactured Products Program." The general purposes of the Program are to encourage executive and legislative efforts to promote Ohio's economy, diplomacy, and humanity to the international community and to align Ohio government, market, and industry forces to increase Ohio business' access to global market opportunities in order

to enhance their competitive advantage in world markets and promote job creation in Ohio.<sup>1</sup>

The Program is designed to achieve seven goals:

- (1) To facilitate logistics for Ohio businesses seeking to use foreign ports and for foreign businesses seeking to use Ohio ports;
- (2) To enhance development of Ohio's chief 25 industries (as they are ranked by the Director of Development Services);
- (3) To promote reciprocal trade activities, such as trade shows;
- (4) To hold annual industry-sponsored receptions in the District of Columbia to host government and business representatives from key foreign nations;
- (5) To enhance and promote Ohio's industry of partial manufacturing;
- (6) To attract foreign investment;
- (7) To engage in educational exchange.<sup>2</sup>

The Program is made up of two components: the Ohio Global Leadership Initiative and the Global Initiative on International Relations.

### **Ohio Global Leadership Initiative**

The bill creates the Ohio Global Leadership Initiative within the Development Services Agency to build models of opportunity to facilitate Ohio business' entry or expansion into foreign markets in order to enhance their competitive advantage in world markets and promote job creation in Ohio. Under this initiative, the Director of Development Services is required to designate "Ohio Business Consulates." The role of these Consulates is to assist Ohio businesses in creating relationships, promoting their business, and conducting transactions in foreign markets. A Consulate may not legally bind an Ohio business without first entering into an agreement with the business authorizing such an action. Consulates are not employees or agents of the state and do not receive state compensation for their services.

Consulates would be selected from among members of Ohio District Export Councils (DECs). DECs are organizations of business leaders appointed by various

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<sup>1</sup> R.C. 122.863(B).

<sup>2</sup> R.C. 122.863(E).

United States Secretaries of Commerce to promote economic health and create new higher-paying jobs by assisting small and medium-sized businesses to establish or increase export sales. There are two DEC's in Ohio, each consisting of approximately 30 members.

The bill requires Consulates to report to the Director on all activities related to the position. The report must include the value of any transaction facilitated by the individual in the role as a consulate. The bill requires the Director to specify the intervals and manner in which Consulates file reports. Within a reasonable period after the bill's effective date, the Director is required to develop and make available an electronic method for filing the reports.<sup>3</sup>

### **Global Initiative on International Relations**

The bill also creates the Global Initiative on International Relations. Its function is to undertake diplomatic efforts to advance and promote Ohio's education (including its public and private higher education institutions), economy, diplomacy, humanity, and legislative initiatives and build and manage reciprocal relationships with foreign governments "as is consistent with the new integrated principle of the global economy."

The Global Initiative on International Relations would consist of 20 or more individuals appointed by the President of the Senate and the Speaker of the House of Representatives to be "Ohio Ambassadors." The bill provides that the exact number of Ambassadors would vary depending on need, as influenced by the size and number of global economic regions identified by the Director of Development Services. The bill requires that two of the Ambassadors appointed by the Speaker be members of the House of Representatives and two of the Ambassadors appointed by the President be members of the Senate. All of the remaining Ambassadors must be members of the Association of Ohio Commodores. Members of the association are appointed by the Governor in recognition of contributions to the economic development of the state. The association was founded in 1966 and currently consists of more than 200 individuals.<sup>4</sup>

The bill specifies that Ambassadors are not to be paid for their duties but may be reimbursed for their reasonable expenses. (The prohibition against receiving pay is to avoid conflict with the constitutional prohibition against in-term increases in compensation for General Assembly members and officers.)<sup>5</sup> Ohio Ambassadors who are members of the General Assembly would not be eligible for reimbursement of travel

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<sup>3</sup> R.C. 122.863(A) and (D).

<sup>4</sup> See [www.ohiocommodores.org](http://www.ohiocommodores.org).

<sup>5</sup> Article II, Section 31, Ohio Constitution.

expenses unless the Ambassador obtains written approval from the Ambassador's appointing authority and the Governor before traveling.<sup>6</sup>

Expense reimbursement would be made from the Ohio Ambassador Fund, which is created by the bill. The bill appropriates \$100,000 to the fund for fiscal year 2016. The bill also states that the Global Initiative may seek federal market development grants to supply money for the fund. The fund also could accept private donations and federal, state, or local government contributions. The bill also states that appointment as an Ohio Ambassador does not constitute the holding of a public office for the purpose of a constitutional provision prohibiting General Assembly members from simultaneously holding any other public office.<sup>7</sup>

### **Development Services Agency publications**

The bill requires the Director of Development Services to publish a booklet listing businesses in Ohio that could be suppliers to international markets, arranged according to each industry's industry classification. The booklet is to be published and updated as often as the Director finds desirable. The Director may charge fees of each business requesting to be listed in the booklet to cover publishing costs. If such fees exceed the costs of publication, the Director may deposit the remaining surplus in the Ohio Ambassador Fund (described above).<sup>8</sup>

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## **HISTORY**

### **ACTION**

### **DATE**

Introduced

04-28-15

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<sup>6</sup> R.C. 122.863(C)(4).

<sup>7</sup> Article II, Section 4, Ohio Constitution.

<sup>8</sup> R.C. 122.863(F); Section 2 and 3.

