



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Sam Benham

H.B. 531

132nd General Assembly
(As Introduced)

Reps. Schuring and Greenspan

BILL SUMMARY

- Removes limitations on the amount of sports event grants that may be awarded in a fiscal year or for a specific event.
 - Authorizes grants to be awarded and paid without an appropriation by diverting state sales tax receipts to a custodial fund administered by the Director of Development Services.
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CONTENT AND OPERATION

Sports event grants

The bill removes limitations on the amount of grants that may be awarded through an existing sports event grant program and changes the manner in which that grant program is funded. Under continuing law, grants may be awarded by the Director of Development Services to counties, municipalities, or nonprofit organizations acting on behalf of a county or municipality (a so-called "local organizing committee") to support the selection of a site for a national or international sports competition: specifically, competitions of football, auto racing, boxing, rugby, cricket, horse racing, mixed martial arts, Special Olympics, or any sport that is governed by an international federation and included in the Olympic Games, Pan American Games, or Commonwealth Games. Grants are used to defray the county's, municipality's, or local organizing committee's cost to host the event pursuant to an agreement with the event's sponsor.

Grant limitations

Under current law, a grant equals 50% of the incremental increase in state sales tax revenue projected to be generated within the combined statistical area in which the event is held during a two-week period surrounding the event, up to \$500,000. The Director determines the amount of the grant on the basis of a projection of those receipts, but the grant amount may be reduced later if the Director determines, on the basis of a final accounting, that the projection exceeded actual receipts. The Director may award no more than \$1 million in grants in any fiscal year.

The bill removes both the \$500,000 per-event grant limitation and the \$1 million restriction on the number of grants that may be awarded in a fiscal year.¹

Grant funding

Under current law, sports event grants are funded pursuant to appropriations by the General Assembly. The bill eliminates the grant program's reliance on appropriations by diverting state sales tax receipts – which otherwise would be deposited in the General Revenue Fund (GRF) – directly to a new custodial fund called the Sports Event Grant Fund. The Tax Commissioner would make the diversion upon the request of the Director of Development Services. The Director is then able to directly spend money from the Sports Event Grant Fund to pay grant awards without any appropriation by the General Assembly.² While money in a custodial fund is not necessarily removed from the General Assembly's control, use of a custodial fund does allow the Director to award sports event grants without an appropriation and prevents spending authority from lapsing at the end of a fiscal biennium.³

HISTORY

ACTION	DATE
Introduced	02-28-18

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¹ R.C. 122.121(A).

² R.C. 122.12, 122.121, and 5739.21.

³ R.C. 131.33(A), not in the bill. See also *Board of Trustees of the Tobacco Use Prevention & Control Foundation v. Boyce*, 127 Ohio St.3d 511 (2010) (discussing the difference between treasury and custodial funds, and holding that the General Assembly has the authority to liquidate a custodial fund and transfer its assets to the GRF).

