

H. B. No. 96
As Introduced

_____ moved to amend as follows:

- In line 4746, reinsert "section" 1
- In line 4747, delete "sections"; delete "and 123.282" 2
- In line 4898, delete "or" 3
- In line 4899, delete "renovation" 4
- In line 4903, after "dollars" delete the remainder of the line 5
- Delete lines 4904 through 4906 6
- In line 4907, delete everything before the underlined period 7
- In line 4908, delete "Major" and insert "Transformational major" 8
- Delete lines 4915 through 4917 9
- In line 4918, delete "(d)" and insert "(c)" 10
- In line 4921, after "A" insert "transformational" 11
- In line 4925, delete ", renovating,"; delete the third underlined 12
comma 13
- Delete lines 4926 through 4930 14
- In line 4931, delete all before the underlined semicolon 15



In line 4940, after "the" insert "transformational" 16

Delete lines 4942 through 4971 and insert: 17

"(R) "Transformational major sports facility mixed-use project district" means the geographic area encompassing the land upon which the transformational major sports facility mixed-use project is located, as designated by a municipal corporation under section 715.016 of the Revised Code. 18
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(S) "Base professional sports franchise state tax revenues" means a fixed dollar amount equal to all state tax revenues generated pursuant to state taxes levied under Chapters 5739., 5741., 5747., and 5751. of the Revised Code that are attributable to the professional sports franchise, and its operations at the facility in which the professional sports facility plays home games if in the state, and collected by the tax commissioner in the calendar year occurring immediately before the calendar year in which the professional sports franchise plays its initial regular season home game in the major sports facility. 23
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(T) "Total major sports facility mixed-use project district state tax revenues" means the total aggregate state tax revenue generated in the territory of a transformational major sports facility mixed-use project district pursuant to state taxes levied under Chapters 5739., 5741., 5747., and 5751. of the Revised Code, including state tax revenues attributable to purchasing or leasing materials and items used in construction in the territory of a transformational major sports facility mixed-use project district, in a calendar year during the initial term of the applicable major sports facility lease. 32
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(U) "Incremental major sports facility mixed-use project district state tax revenues" means the amount of state tax revenues received by the state determined by subtracting base professional sports franchise state 41
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tax revenues from total major sports facility mixed-use project district 44
state tax revenues in a calendar year, beginning with the calendar year in 45
which the professional sports franchise plays its initial regular season 46
home game in the major sports facility. 47

(V) "Total incremental major sports facility mixed-use project 48
district state tax revenues" means the sum of both of the following: 49

(1) The total aggregate incremental major sports facility mixed-use 50
district state tax revenues during the initial term of the applicable 51
major sports facility lease; 52

(2) The total major sports facility mixed-use project district tax 53
revenues received in the calendar years prior to the calendar year in 54
which the professional sports franchise plays its initial regular season 55
home game in the major sports facility. 56

(W) "Major sports facility lease" means the lease or other agreement 57
held by the professional sports franchise for the use of the major sports 58
facility." 59

In line 5056, strike through "State" and insert "Except as provided 60
in division (H) of this section, state" 61

Delete lines 5120 through 5129 and insert: 62

"(H) State funds may be used to pay or reimburse up to thirty per 63
cent of the initial estimated construction cost for a major sports 64
facility if all of the following criteria are met: 65

(1) The major sports facility upon completion will be a part of a 66
transformational major sports facility mixed-use project. 67

(2) The Ohio facilities construction commission has received a 68
financial and development plan satisfactory to it, and provision has been 69
made in such plan, by agreement or otherwise, satisfactory to the 70

commission, for a contribution amounting to not less than seventy per cent 71
of the total initial estimated construction cost of the major sports 72
facility, excluding any site acquisition cost, from sources other than the 73
state, including a contribution from the professional sports franchise 74
that plans to use the facility, or affiliates of the franchise, of at 75
least fifty per cent of the total estimated construction cost of the major 76
sports facility. 77

(3) The general assembly has specifically authorized the spending of 78
money on, or made an appropriation for, the construction of the major 79
sports facility, or for rental payments relating to state financing of all 80
or a portion of the costs of constructing the major sports facility, 81
provided that authorization to spend money, or an appropriation, for 82
planning or determining the feasibility of or need for the major sports 83
facility does not constitute authorization to spend money on, or an 84
appropriation for, costs of constructing the major sports facility. 85

(4) If state bond proceeds are being used for the major sports 86
facility, both of the following: 87

(a) The financial and development plan described in division (H) (2) 88
of this section demonstrates to the satisfaction of the Ohio facilities 89
construction commission, in consultation with the department of taxation 90
and the office of budget and management, that, as of the date of the 91
issuance of such bonds, the total incremental major sports facility mixed- 92
use project district state tax revenues expected to be generated by the 93
transformational major sports facility mixed-use project are projected to 94
be in excess of the total debt service of the state bonds for their 95
initial term. 96

(b) The state or a state agency owns or has sufficient property 97
interests in the major sports facility or in the site of the major sports 98
facility or in the portion or portions of the major sports facility 99

financed from proceeds of state bonds, which may include, but is not 100
limited to, the right to use or to require the use of the major sports 101
facility for the presentation of sport and athletic events to the public 102
at the major sports facility. 103

(5) If state bond proceeds are being used for the major sports 104
facility, then, without prejudice to the provisions of section 154.08 of 105
the Revised Code, such bonds shall have a maturity of not less than 106
twenty-five years. 107

(6) If state bond proceeds are being used for the major sports 108
facility, then the total major sports facility mixed-use project district 109
state tax revenues shall be deposited by the treasurer of state into the 110
major sports facility district fund created under division (I) of this 111
section. From the major sports facility district fund, the director of 112
budget and management shall transfer funds as needed to the Ohio major 113
sports facility debt service fund, which is created pursuant to division 114
(D) of section 154.23 of the Revised Code, and held as trust funds pledged 115
to the payment of bond service charges on the applicable obligations 116
issued pursuant to Chapter 154. of the Revised Code for the major sports 117
facility to the extent provided in the applicable bond proceedings, and 118
payment thereof from such funds shall be made or provided for by the 119
treasurer of state in accordance with the applicable bond proceedings 120
without necessity for any act or appropriation. 121

(7) If state bond proceeds are being used for the major sports 122
facility, the financial and development plan, and the agreements relating 123
thereto, described in division (H) (2) of this section shall include a 124
commitment from the professional sports franchise, or an affiliate of the 125
professional sports franchise, to cause the deposit, either through the 126
major sports facility lease or otherwise, of an amount equal to five per 127
cent of the principal amount of the state bond proceeds issued to pay 128

costs of the major sports facility into an escrow account held for the 129
benefit of the state. The terms of the escrow shall provide that the funds 130
in the escrow account and all interest and earnings thereon shall be 131
released to the state if, and to the extent that, upon the date after the 132
later of the expiration of the initial term of the applicable major sports 133
facility lease or the maturity of the state bonds issued to pay costs of 134
the major sports facility, total debt service on the state bonds issued to 135
pay costs of the major sports facility exceeds the total incremental major 136
sports facility mixed-use project district state tax revenues, with any 137
amounts remaining after the payment of such excess bond debt service to be 138
released from the escrow account to the professional sports franchise or 139
affiliate thereof, as applicable. 140

(I) For the purpose of receiving and distributing, and accounting 141
for, revenues pursuant to state taxes levied under Chapters 5739., 5741., 142
5747., and 5751. of the Revised Code generated in the territory of a 143
transformational major sports facility mixed-use project district, the 144
major sports facility district fund is created in the state treasury. 145

(J) The public authority that owns or has an ownership interest in a 146
major sports facility shall provide the department of taxation with all of 147
the following information: 148

(1) A list of names and social security numbers or federal employer 149
identification numbers for all persons generating tax revenues pursuant to 150
state taxes levied under Chapters 5747. and 5751. of the Revised Code in 151
the territory of a transformational major sports facility mixed-use 152
project district; 153

(2) A list of names and social security numbers or federal employer 154
identification numbers for all persons generating tax revenues pursuant to 155
state taxes levied under Chapters 5739. and 5741. of the Revised Code in 156
the territory of a transformational major sports facility mixed-use 157

project district, and persons purchasing or leasing materials and items 158
used in construction in the territory of a transformational major sports 159
facility mixed-use project district; 160

(3) Updated information under divisions (J) (1) and (2) of this 161
section on a monthly basis. 162

(K) Every person who owns real property located in, or otherwise 163
enters into a lease, license, or use or operating agreement for all or a 164
portion of the building and facilities located in, the territory of a 165
transformational major sports facility mixed-use project district is 166
subject to reporting requirements as may be required by the public 167
authority that owns or has an ownership interest in a major sports 168
facility in order to fulfill its obligations under division (J) of this 169
section. Such requirements may be evidenced by an instrument that is duly 170
recorded with the county recorder. 171

(L) Every person doing business in a transformational major sports 172
facility mixed-use project district shall file tax returns and make tax 173
payments pursuant to Chapters 5739., 5741., 5747., and 5751. of the 174
Revised Code using an electronic medium in a format prescribed by the 175
department of taxation. Persons that pay salaries and wages to employees 176
in the territory of a transformational major sports facility mixed-use 177
project district shall register for a separate withholding account and 178
shall remit the wages and salaries withheld from employees for activities 179
performed in the territory of a transformational major sports facility 180
mixed-use project district separately from all income taxes withheld by 181
such employer. In addition, every person doing business in the territory 182
of a transformational major sports facility mixed-use project district 183
shall provide all of the following information to the department of 184
taxation: 185

(1) For persons that collect transformational major sports facility 186

mixed-use project district tax revenues pursuant to Chapter 5739. of the 187
Revised Code, tax collections generated from construction or transactions 188
in the territory of a transformational major sports facility mixed-use 189
project district on the returns filed pursuant to Chapter 5739. of the 190
Revised Code as prescribed by the tax commissioner; 191

(2) For persons that generate transformational major sports facility 192
mixed-use project district tax revenues under Chapters 5741., 5747., and 193
5751. of the Revised Code, estimated payments for corporate income taxes 194
generated from the transformational major sports facility mixed-use 195
project district and information regarding gross revenues generated from 196
activities in the transformational major sports facility mixed-use project 197
district and gross revenues from all activities in this state; 198

(3) For persons that make payments to an independent contractor 199
attributable to construction or transactions in the territory of a 200
transformational major sports facility mixed-use project district, 201
information regarding such payments by the thirty-first day of January of 202
each year in a format prescribed by the tax commissioner. 203

(M) The department of taxation shall promulgate forms necessary to 204
implement and administer this section. The tax commissioner may disclose 205
taxpayer information regarding transactions, real or personal property, 206
income, or business of any person to the public authority that owns or has 207
an ownership interest in a major sports facility as may be necessary for 208
the administration of the provisions authorized by this section. 209

(N) The Ohio facilities construction commission, in consultation 210
with the department of taxation and the office of budget and management, 211
shall adopt rules in accordance with Chapter 119. of the Revised Code for 212
both of the following: 213

(1) Reviewing and evaluating whether a proposed major sports 214

facility fulfills the criteria of division (H) of this section; 215

(2) Any other rules necessary to implement and administer this 216
section." 217

Delete lines 5130 through 5203 (remove section 123.282) 218

After line 17966, insert: 219

"Sec. 715.016. (A) As used in this section: 220

(1) "Business" means a sole proprietorship, a corporation 221
for profit, a pass-through entity as defined in section 5733.04 222
of the Revised Code, the federal government, the state, a 223
political subdivision, a nonprofit organization, or a school 224
district. 225

(2) "Eligible municipal corporation" means a municipal 226
corporation wholly or partly located in a county having a 227
population greater than one million. 228

(3) "Fiscal officer" means the city auditor, village 229
clerk, or other municipal officer having the duties and 230
functions of a city auditor or village clerk. 231

(4) "Major sports facility" and "transformational major 232
sports facility mixed-use project" have the same meanings as in 233
section 123.28 of the Revised Code. 234

(5) "Operates within the proposed district" means a 235
business if the business would be subject to a tax levied in the 236
proposed tourism development district pursuant to division (C) 237
of section 5739.101 of the Revised Code. 238

(6) "Owner" means a partner of a partnership, a member of 239
a limited liability company, a majority shareholder of an S 240
corporation, a person with a majority ownership interest in a 241

pass-through entity, or any officer, employee, or agent with the 242
authority to make decisions legally binding upon a business. 243

(7) "Signature" means, for a business, the signature of 244
any owner of the business. 245

(8) "Territory of a transformational major sports facility 246
mixed-use project district" means all of the area included 247
within the territorial boundaries of a transformational major 248
sports facility mixed-use project district. 249

(9) "Transformational major sports facility mixed-use 250
project district" means a district designated by a municipal 251
corporation under this section. 252

(B) (1) The legislative authority of an eligible municipal 253
corporation, by resolution or ordinance, may declare an area of 254
the municipal corporation to be a transformational major sports 255
facility mixed-use project district for the purpose of fostering 256
and developing a major sports facility and economic development 257
in the transformational major sports facility mixed-use project 258
district if all of the following criteria are met: 259

(a) All territory in the district is contiguous. 260

(b) Before adopting the resolution or ordinance, the 261
legislative authority holds at least two public hearings 262
concerning the creation of the transformational major sports 263
facility mixed-use project district. 264

(c) Before adopting the resolution or ordinance, the 265
legislative authority receives a petition with the signature of 266
every owner of a parcel of real property located in the proposed 267
transformational major sports facility mixed-use project 268
district and the owner of every business that operates in the 269

proposed district. 270

(d) The legislative authority determines that a 271
transformational major sports facility mixed-use project will be 272
located on territory of the proposed transformational major 273
sports facility mixed-use project district. 274

(2) A legislative authority shall not declare more than 275
one area of the municipal corporation to be a transformational 276
major sports facility mixed-use project district under this 277
section. 278

(3) The legislative authority shall certify the resolution 279
or ordinance to the tax commissioner within five days after its 280
adoption, along with a description of the boundaries of the 281
transformational major sports facility mixed-use project 282
district authorized in the resolution or ordinance. That 283
description shall include sufficient information for the 284
commissioner to determine if the address of a business or owner 285
is within the boundaries of the district. 286

(4) Subject to division (B) (1) (a) of this section, the 287
legislative authority of an eligible municipal corporation may 288
enlarge the territory of an existing transformational major 289
sports facility mixed-use project district in the manner 290
prescribed for the creation of a district under divisions (B) (1) 291
to (3) of this section, except that the petition described in 292
division (B) (1) (c) of this section shall be signed by every 293
owner of a parcel of real property located in the area proposed 294
to be added to the district. 295

(C) Every record owner of a parcel of real property 296
located in the proposed transformational major sports facility 297
mixed-use project district shall be required to provide, or 298

cause every person that enters into a lease, license, or use or 299
operating agreement for all or a portion of the building and 300
facilities located in that parcel, the public authority that 301
owns or has an ownership interest in a major sports facility 302
with the information described in division (J) of section 303
123.281 of the Revised Code. Compliance with this requirement 304
may be evidenced by an instrument that has been duly recorded 305
with the county recorder. 306

(D) On or before the first day of each January and July 307
beginning after the designation of a transformational major 308
sports facility mixed-use project district, the fiscal officer 309
shall certify to the tax commissioner a list of businesses 310
located within the transformational major sports facility mixed- 311
use project district." 312

Delete lines 101347 through 101415 (remove sections 5753.021 and 313
5753.031) 314

After line 106167, insert: 315

"Section 287.80. The Treasurer of State is hereby 316
authorized to issue and sell, in accordance with Section 2i of 317
Article VIII, Ohio Constitution, Chapter 154. of the Revised 318
Code, and particularly section 154.23 and other applicable 319
sections of the Revised Code, original obligations in an 320
aggregate principal amount not to exceed \$600,000,000 in 321
addition to the original issuance of obligations heretofore 322
authorized by prior acts of the General Assembly. These 323
authorized obligations shall be issued, subject to applicable 324
constitutional and statutory limitations, as needed to provide 325
sufficient moneys to the credit of the Cultural and Sports 326
Facilities Building Fund (Fund 7030) to pay costs of the 327
Cleveland Browns major sports facility stadium project in the 328

City of Brook Park." 329

 Delete lines 112799 through 112801 (remove Section 801.50) 330

 In line 112888, after "5743.63," insert "and"; delete ", 5753.021, 331
and 5753.031" 332

 Update the title, amend, enact, or repeal clauses accordingly 333

The motion was _____ agreed to.

SYNOPSIS 334

Major sports facility construction 335

R.C. 123.28, 123.281, 123.282 (removed), 5753.021 336

(removed), and 5753.031 (removed); Sections 801.50 (removed) and 337
820.20 338

Major sports facility changes 339

Deletes provisions of the bill creating the sports 340
facilities construction and sports education fund, and the Ohio 341
advisory committee for sports facility construction and youth 342
sports education. 343

For projects to construct a major sports facility, reduces 344
the permitted state portion of funds from 40% of the total 345
project cost to 30%, and deletes provisions regarding renovation 346
of existing facilities. 347

Deletes provisions of the bill permitting major sports 348
facility capital funding for minor leagues. 349

Deletes provisions of the bill permitting state funds for 350

major sports facilities to be used for off-site affiliated properties. 351
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Deletes provisions of the bill creating the sports facilities construction and sports education fund, and increasing the sports gaming tax to fund it. 353
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State funding of major sports facilities 356

Permits state funds to be used for a major sports facility if the following criteria are met: 357
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(1) The major sports facility upon completion will be a part of a transformational major sports facility mixed-use project; 359
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(2) The OFCC has received a satisfactory financial and development plan, including provision of 70% of the total initial estimated construction cost from sources other than the state, with at least 50% of the total from the professional sports franchise that plans to use the facility; 362
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(3) The general assembly has specifically authorized, or appropriated money for, the construction of the major sports facility; 367
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(4) If state bond proceeds are being used, the following: 370

-The amount of increased state tax revenues are projected to be in excess of the total debt service of the state bonds for their initial term; 371
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-The state or a state agency owns or has sufficient property interests in the major sports facility, which may include the right to use the major sports facility for the presentation of sport and athletic events to the public; 374
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-The bonds have a maturity of not less than 25 years. 378

If state bond proceeds are being used for the major sports facility, requires TOS to deposit the total major sports facility mixed-use project district state tax revenues into the major sports facility district fund, which the bill creates for the deposit of certain tax revenues attributable to the major sports facility mixed-use project district, to be used to pay debt service. 379-385

If state bond proceeds are being used for the major sports facility, requires the professional sports franchise to deposit an amount equal to 5% of the award into an escrow account, to be used to pay any deficits between tax revenues collected and the total bond amount, after the bonds are matured, or if the lease expires. 386-391

Requires the OBM Director to transfer funds as needed from the Ohio major sports facility district fund to the Ohio major sports facility debt service fund, which the bill also creates, to be held as trust funds pledged to the payment of bond service charges. 392-396

Tax reporting requirements 397

Requires the public authority that owns or has an ownership interest in the major sports facility to provide to TAX, on a monthly basis, a list of persons generating tax revenues in the territory of a transformational major sports facility mixed-use project district, including persons purchasing or leasing materials and items used in construction. 398-403

Requires every person who owns real property in a project district to file taxes and register for a separate withholding account, remitting the wages and salaries withheld from 404-406

employees for activities performed in the territory of a project 407
 district separately from all income taxes withheld by such 408
 employer. 409

Requires persons that collect transformational major 410
 sports facility mixed-use project district tax revenues to 411
 report those tax revenues separately from other tax revenues in 412
 the state, on forms provided by TAX, including estimated 413
 payments on corporate income taxes and gross revenues generated 414
 from the district. 415

Rulemaking 416

Requires the OFCC, in consultation with TAX and OBM, to 417
 adopt rules that establish criteria for project evaluation and 418
 other necessary rules. 419

Municipal-designated districts 420

Permits the legislative authority of a municipal 421
 corporation located in a county with a population greater than 422
 1,000,000 to declare one and only one area of the municipal 423
 corporation to be a transformational major sports facility 424
 mixed-use project district for the purpose of fostering and 425
 developing a major sports facility and economic development, if 426
 the following conditions are met: 427

- All territory in the district is contiguous. 428

- The legislative authority holds at least two public 429
 hearings concerning the creation of the district. 430

- The legislative authority receives a petition signed by 431
 every owner of a parcel of real property located in the proposed 432
 district, and the owner of every business that operates in the 433
 proposed district. 434

- The legislative authority determines that a 435
transformational major sports facility mixed-use project will be 436
located on the territory of the proposed district. 437

Requires a legislative authority to certify the resolution 438
or ordinance creating the district to the tax commissioner 439
within five days of its passage or adoption, along with a 440
description of district boundaries. 441

Permits the legislative authority to enlarge the territory 442
of an existing transformational major sports facility mixed-use 443
project district in the same manner, except that the petition 444
must be signed by every real property owner located in the area 445
proposed to be added to the district. 446

Requires each real property owner in the proposed district 447
to provide, or cause lessees, licensees, users, or operators to 448
provide, to the public authority that owns or has an ownership 449
interest in a major sports facility, with the tax information 450
which the public authority is required to report to the tax 451
commissioner. 452

Requires the fiscal officer, each January and July, to 453
certify to the Tax Commissioner a list of businesses located 454
within the transformational major sports facility mixed-use 455
project district. 456

Authorization to issue and sell bonds 457

Section 287.80 458

Authorizes the TOS to issue and sell bonds in the amount 459
of up to \$600,000,000 deposited to the credit of the Cultural 460
and Sports Facilities Building Fund (Fund 7030) to pay the costs 461
of the Cleveland Browns major sports facility stadium project in 462

the City of Brook Park, Ohio.

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