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Bill Analysis
Legislative Service Commission

H.B. 443

125th General Assembly
(As Introduced)

**Reps. Barrett, Clancy, Seitz, Schneider, Allen, Setzer, Brown, Carano,
Combs, DeGeeter, Sferra**

BILL SUMMARY

- Provides an additional procedure that an Ohio professional sports team may utilize in order to have its logo appear on a special license plate.
- Specifies that the professional sports team may negotiate with a community charity for such display of the team's logo; requires a participating community charity to enter into a contract with the team to receive contributions and pay to the team any licensing or rights fee in connection with the issuance of the license plate.
- Requires the community charity to provide a copy of the contract to the Registrar of Motor Vehicles; requires the Registrar, when all requirements are met, to issue license plates bearing the team's logo.
- Requires persons who obtain such professional sports team license plates to pay a \$25 contribution in addition to the usual motor vehicle registration fees and taxes, and requires these contributions to be paid to the community charity.
- Requires the community charity to expend this money by providing financial support to nonprofit organizations located in this state that seek to improve the lives of those who are less fortunate and who reside in the region and state in which is located the professional sports team with which the community charity entered into the contract.

CONTENT AND OPERATION

Professional sports team license plates

(R.C. 4503.591)

Current law provides a procedure whereby an Ohio professional sports team that desires to have its logo appear on a special license plate can make arrangements for this to occur (see **COMMENT 1**).

The bill provides for an alternative procedure for a professional sports team to have its logo appear on a special license plate. If an Ohio professional sports team desires to have its logo appear on a special license plate but it does not wish to utilize the procedure provided in current law, it must proceed in accordance with the new procedure contained in the bill. (R.C. 4503.591(A).)

First, the team is required to notify a community charity of that desire. (See **COMMENT 2**.) The community charity may negotiate with the professional sports team to permit the display of the team's logo on a special license plate; if negotiations are successful, the community charity must enter into a contract with the team to permit such display and pay to the team any licensing or rights fee that must be paid in connection with the issuance of the license plates. The community charity must provide a copy of the contract to the Registrar along with any other required documentation.

Upon receipt of the contract and any required additional documentation, and when the 1,000-signature requirement for new special license plates has been met relative to that particular professional sports team, the Registrar must issue license plates bearing the team's logo. Once again, the \$25 contribution must be paid in addition to the normal license plate taxes and fees. This contribution is then deposited into the License Plate Contribution Fund in the state treasury for later payment to the community charity. (R.C. 4503.591(G).)

Under the bill, a community charity that receives money from the sale of professional sports team license plates is required to expend the money to provide financial support to nonprofit organizations located in this state that seek to improve the lives of those who are less fortunate and who reside in the region and state in which is located the professional sports team with which the community charity entered into the contract for the display of the team's logo on a license plate. (See **COMMENT 3**.) These organizations are required to achieve this purpose through activities such as youth sports programs; educational, health, social, and community service programs; or services such as emergency assistance or employment, education, housing, and nutrition services. The bill prohibits the

community charity from expending any money it receives under the bill if the expenditure will be received by a nonprofit organization that will use the money in a manner or for any other purpose not described in the bill. (R.C. 4503.591(H)(1).)

The bill requires the community charity to provide a written quarterly report to the Director of Development and the Director of Job and Family Services detailing the expenditures of the money it receives from the sale of professional sports team license plates. The report must include the amount of such money received and an accounting of all expenditures of such money. (R.C. 4503.591(H)(2).)

Distribution of money from the License Plate Contribution Fund

(R.C. 4501.21)

Currently, the \$25 contribution that a person pays when obtaining a set of professional sports team license plates is deposited into the License Plate Contribution Fund in the state treasury for payment by the Registrar to the sports commission that entered into the contract with the professional sports team for the display of that team's logo on a special Ohio license plate (R.C. 4501.21(B)(5)).

Under the bill, the Registrar must also pay to a community charity from the Fund each contribution he receives from a motor vehicle registration applicant who obtains license plates that bear the logo of a professional sports team that entered into a contract with the community charity (R.C. 4501.21(B)(5)(b)).

COMMENT

1. Under the current procedure, the team must first inform the largest convention and visitors' bureau of the county in which the team is located of that desire. The convention and visitors' bureau then must create a sports commission to operate in that county and to receive the contributions that are paid by persons who select license plates bearing the logo of that professional sports team for their motor vehicles. The sports commission must negotiate with the professional sports team to permit the display of the team's logo on a special Ohio license plate; if negotiations are successful, it must enter into a contract with the team to permit such display and pay to the team any licensing or rights fee that must be paid in connection with the issuance of the license plates. The sports commission then must provide a copy of the contract to the Registrar of Motor Vehicles, along with any other required documentation.

Upon receipt of the contract and any required additional documentation, and when the 1,000-signature requirement for new special license plates has been met relative to that particular professional sports team, the Registrar must issue license plates bearing the team's logo. Vehicle owners then can obtain those special license plates in the same manner as any other license plate except that each motor vehicle registration application involving any professional sports team license plate must be accompanied by a \$25 contribution in addition to the normal license plate taxes and fees. This contribution is then deposited into the License Plate Contribution Fund in the state treasury for later payment to the sports commission.

A sports commission that receives money from the sale of professional sports team license plates is required to expend the money to attract amateur regional, national, and international sporting events to the municipal corporation, county, or township in which it is located; it also may sponsor such events. Prior to attracting or sponsoring any such event, the sports commission is required to perform an economic analysis to determine whether the proposed event will have a positive economic effect on the greater area in which the event will be held. A sports commission cannot expend any money it receives from the sale of professional sports team license plates to attract or sponsor an amateur regional, national, or international sporting event if its economic analysis does not result in a finding that the proposed event will have a positive economic effect on the greater area in which the event will be held.

A sports commission that receives money from the sale of professional sports team license plates, in addition to any other duties imposed on it by law and notwithstanding the scope of those duties, also is required to encourage the economic development of Ohio through the promotion of tourism within all areas of Ohio. A sports commission that receives \$10,000 or more during any calendar year must submit an annual written report to the Director of Development detailing its efforts and expenditures in the promotion of tourism during the calendar year in which it received that amount of money.

2. For purposes of the bill, "community charity" means a nonprofit corporation organized under the laws of this state that is entitled to tax exempt status under Section 501(c)(3) of the Internal Revenue Code and that enters into a contract with a professional sports team under the bill.

3. For purposes of the bill, "nonprofit organization" means a nonprofit corporation organized under the laws of this state that is entitled to tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 and that receives money from a community charity under the bill.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-24-04	p. 1732

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