



**Sub. H.B. 393\***

125th General Assembly

(As Reported by S. Finance & Financial Institutions)

**Reps. Harwood, Perry, Williams, Hartnett, Carano, Schmidt, Seitz, Seaver, Sferra, Book, Kearns, Otterman, DeGeeter, Ujvagi, Barrett, Core, Hughes, Miller, Webster, Wilson, Allen, Aslanides, Beatty, Blasdel, Brown, Cirelli, Clancy, DeBose, Distel, Domenick, C. Evans, Faber, Flowers, Grendell, Key, Mason, S. Patton, Peterson, Price, Redfern, Schneider, D. Stewart, Strahorn, Sykes, Walcher**

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**BILL SUMMARY**

- Amends the definition of "Ohio sports facility" in the Ohio Arts and Sports Facilities Commission law to include motorsports complexes, thereby authorizing the Commission to participate in the financing of motorsports complexes.
- For purposes of a motorsports complex, specifies that the facility itself must be owned by the state or a governmental agency.
- Requires motorsports events to be presented at the facility pursuant to a lease entered into with the facility owner for a statutorily determined minimum number of years.
- Requires any motorsports organization committing to use a facility for an established period of time to provide the political subdivision in which the facility is located at least six months notice if the organization intends to stop utilizing the facility prior to the expiration of that established period.
- Specifies that any motorsports organization that stops utilizing a facility prior to the expiration of a period of time established with the facility

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*\* This analysis was prepared before the report of the Senate Finance and Financial Institutions Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

owner is liable to the state for any state funds used on the construction costs of the facility.

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## CONTENT AND OPERATION

### Introduction

(R.C. Chapter 3383.)

Current law creates the Ohio Arts and Sports Facilities Commission ("Commission") and authorizes it to participate in the financing of Ohio sports facilities as well as Ohio arts facilities. Funding for Ohio sports facilities may be provided through direct appropriations from the General Revenue Fund, from appropriations made from moneys derived from the sale of state bonds, and from other specified funding sources. However, the state funding component of an Ohio sports facility may not be used to pay or reimburse more than 15% of the initial estimated construction cost of the facility, and Commission participation in the financing of the facility must be specifically authorized by the General Assembly.

The definition of an "Ohio sports facility" in current law includes the following elements:

(1) A statement that an "Ohio sports facility" means all or a portion of a stadium, arena, or other capital facility in Ohio, a primary purpose of which is to provide a site or venue for the presentation to the public of events of one or more major or minor league professional athletic or sports teams that are associated with the state or with a city or region of the state;

(2) A requirement that the facility is owned by or is located on real property owned by the state or a governmental agency;

(3) A statement that an "Ohio sports facility" includes all parking facilities, walkways, and other auxiliary facilities, equipment, furnishings, and real and personal property and interests and rights therein, that may be appropriate for or used for or in connection with the facility or its operation, for capital costs of which state funds are spent under the Ohio Arts and Sports Facilities Commission law; and

(4) A statement that a facility constructed as an Ohio sports facility may be both an Ohio arts facility and an Ohio sports facility.

**Inclusion of motorsports complexes in the definition of "Ohio sports facility"**

(R.C. 3383.01)

The bill expands the definition of "Ohio sports facility" by providing that such a facility also means all or a portion of a motorsports complex.<sup>1</sup> The result of this definitional change is to authorize the Commission to participate in the financing of motorsports complexes, subject to the same requirements and conditions as described above for financing facilities for professional athletic or sports teams. However, the bill specifies that, for purposes of a motorsports complex, the facility *itself* must be owned by the state or a governmental agency. (As under current law, other Ohio sports facilities may be owned by or *located on real property* owned by the state or a governmental agency.)

**Additional conditions for the use of state funds for motorsports complexes**

(R.C. 3383.07(G))

The bill establishes conditions and requirements that must be met before state funds can be used on a facility that is a motorsports complex, that are in addition to those previously discussed. Specifically, the bill requires motorsports events to be presented at the facility pursuant to a lease entered into with the owner of the facility (which for purposes of a motorsports complex is the state or a governmental agency). The term of the lease must be for a period of time not less than the greater of (1) the useful life of the portion of the facility financed from proceeds of state bonds as determined using the maximum maturity guidelines for bonds set forth in the Uniform Public Securities Law (R.C. Chapter 133.), or (2) the period of time remaining to the date of payment or provision for payment of outstanding state bonds allocable to costs of the facility. Additionally, the bill requires any motorsports organization that commits to use the facility for an established period of time to give the political subdivision in which the facility is located at least six months notice if the organization intends to stop utilizing the facility prior to the expiration of that established period. Any such organization is then liable to the state for any state funds used on the construction costs of the facility.

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<sup>1</sup> The bill defines "motorsports" as sporting events in which motor vehicles are driven on a clearly demarcated tracked surface. R.C. 3383.01(P).

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-03-04	p. 1592
Reported, H. Finance & Appropriations	04-29-04	p. 1796
Passed House (86-11)	05-11-04	pp. 1887-1889
Reported, S. Finance & Financial Institutions	---	---

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