



## Ohio Revised Code

### Section 123.281 Construction and construction services for cultural facilities, major sports facilities; state financing.

Effective: September 30, 2025

Legislation: House Bill 96 - 136th General Assembly

---

(A) The Ohio facilities construction commission shall provide for the construction of a cultural project in conformity with Chapter 153. of the Revised Code, except for construction services provided on behalf of the state by a governmental agency or a cultural organization in accordance with divisions (B) and (C) of this section.

(B) In order for a governmental agency or a cultural organization to provide construction services on behalf of the state for a cultural project, other than a state historical facility, for which the general assembly has made an appropriation or specifically authorized the spending of money or the making of rental payments relating to the financing of the construction, the governmental agency or cultural organization shall submit to the Ohio facilities construction commission a cooperative use agreement that includes, but is not limited to, provisions that:

- (1) Specify how the proposed project will support culture;
- (2) Specify that the governmental agency or cultural organization has local contributions amounting to not less than fifty per cent of the total state funding for the cultural project;
- (3) Specify that the funds shall be used only for construction;
- (4) Identify the facility to be constructed, renovated, remodeled, or improved;
- (5) Specify that the project scope meets the intent and purpose of the project appropriation and that the project can be completed and ready to support culture without exceeding appropriated funds;
- (6) Specify that the governmental agency or cultural organization shall hold the Ohio facilities construction commission harmless from all liability for the operation and maintenance costs of the facility;



(7) Specify that the agreement or any actions taken under it are not subject to Chapter 123. or 153. of the Revised Code, except for sections 123.20, 123.201, 123.21, 123.28, 123.281, and 153.011 of the Revised Code, and are subject to Chapter 4115. of the Revised Code; and

(8) Provide that amendments to the agreement shall require the approval of the Ohio facilities construction commission.

(C) In order for a cultural organization to provide construction services on behalf of the state for a state historical facility for which the general assembly has made an appropriation or specifically authorized the spending of money or the making of rental payments relating to the financing of the construction, the cultural organization shall submit to the Ohio facilities construction commission a cooperative use agreement that includes, but is not limited to, provisions that:

(1) Specify how the proposed project will support culture;

(2) Specify that the funds shall be used only for construction;

(3) Specify that not more than three per cent of the funds may be used by the cultural organization to administer the project;

(4) Identify the facility to be constructed, renovated, remodeled, or improved;

(5) Specify that the project scope meets the intent and purpose of the project appropriation and that the project can be completed and ready to support culture without exceeding appropriated funds;

(6) Specify that the cultural organization shall hold the Ohio facilities construction commission harmless from all liability for the operation and maintenance costs of the facility;

(7) Specify that the agreement or any actions taken under it are not subject to Chapter 123., 153., or 4115. of the Revised Code, except for sections 123.20, 123.201, 123.21, 123.28, and 123.281 of the Revised Code; and



(8) Provide that amendments to the agreement shall require the approval of the Ohio facilities construction commission.

(D) For an Ohio sports facility that is financed in part by obligations issued under Chapter 154. of the Revised Code, construction services shall be provided on behalf of the state by or at the direction of the governmental agency or nonprofit corporation that will own or be responsible for the management of the facility. Any construction services to be provided by a governmental agency or nonprofit corporation shall be specified in a cooperative use agreement between the Ohio facilities construction commission and the governmental agency or nonprofit corporation. The agreement and any actions taken under it are not subject to Chapter 123. or 153. of the Revised Code, except for sections 123.20, 123.201, 123.21, 123.28, 123.281, and 153.011 of the Revised Code, and are subject to Chapter 4115. of the Revised Code.

(E) Except as provided in division (H) of this section and section 123.283 of the Revised Code, state funds shall not be used to pay or reimburse more than fifteen per cent of the initial estimated construction cost of an Ohio sports facility, excluding any site acquisition cost, and no state funds, including any state bond proceeds, shall be spent on any Ohio sports facility under this chapter unless, with respect to that facility, all of the following apply:

(1) The Ohio facilities construction commission has received a financial and development plan satisfactory to it, and provision has been made, by agreement or otherwise, satisfactory to the commission, for a contribution amounting to not less than eighty-five per cent of the total estimated construction cost of the facility, excluding any site acquisition cost, from sources other than the state.

(2) The general assembly has specifically authorized the spending of money on, or made an appropriation for, the construction of the facility, or for rental payments relating to state financing of all or a portion of the costs of constructing the facility. Authorization to spend money, or an appropriation, for planning or determining the feasibility of or need for the facility does not constitute authorization to spend money on, or an appropriation for, costs of constructing the facility.

(3) If state bond proceeds are being used for the Ohio sports facility, the state or a governmental agency owns or has sufficient property interests in the facility or in the site of the facility or in the portion or portions of the facility financed from proceeds of state bonds, which may include, but is



not limited to, the right to use or to require the use of the facility for the presentation of sport and athletic events to the public at the facility.

(F) In addition to the requirements of division (E) of this section, no state funds, including any state bond proceeds, shall be spent on any Ohio sports facility that is a motorsports complex, unless, with respect to that facility, both of the following apply:

(1) Motorsports events shall be presented at the facility pursuant to a lease entered into with the owner of the facility. The term of the lease shall be for a period of not less than the greater of the useful life of the portion of the facility financed from proceeds of state bonds as determined using the guidelines for maximum maturities as provided under divisions (B) and (C) of section 133.20 of the Revised Code, or the period of time remaining to the date of payment or provision for payment of outstanding state bonds allocable to costs of the facility, all as determined by the director of budget and management and certified by the executive director of the Ohio facilities construction commission and to the treasurer of state.

(2) Any motorsports organization that commits to using the facility for an established period of time shall give the political subdivision in which the facility is located not less than six months' advance notice if the organization intends to cease utilizing the facility prior to the expiration of that established period. Such a motorsports organization shall be liable to the state for any state funds used on the construction costs of the facility.

(G) In addition to the requirements of division (E) of this section, no state bond proceeds shall be spent on any Ohio sports facility that is a tennis facility, unless the owner or manager of the facility provides contractual commitments from a national or international professional tennis organization in a form acceptable to the Ohio facilities construction commission that assures that one or more sanctioned professional tennis events will be presented at the facility during each year that the bonds remain outstanding.

(H) State funds may be used as a performance grant to pay or reimburse up to twenty-five per cent of the initial estimated construction cost for a major sports facility if all of the following criteria are met:



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

(2) The office of budget and management in consultation with the Ohio facilities construction commission has received a financial and development plan that satisfies the requirements of this section, and includes a contribution amounting to not less than seventy-five per cent of the total initial estimated construction cost of the major sports facility, excluding any site acquisition cost, from sources other than the state's performance grant, including a contribution from the professional sports franchise that plans to use the facility, or the owner or an authorized affiliate, of at least fifty per cent of the total estimated construction cost of the major sports facility.

(3) The general assembly has specifically authorized, or made an appropriation for, the performance grant to aid in the construction of the major sports facility, provided that the grant's authorization or appropriation does not include planning or determining the feasibility of or need for the major sports facility as a cost of constructing the major sports facility. The performance grant is not subject to the review or authorization of the controlling board, and upon the office of budget and management's receipt of the escrow amount and of a certification of funds or other requisite proof the supplemental reserve amount has been established in accordance with division (H)(4) of this section, is eligible for disbursement in full or in part, for the payment or reimbursement of construction costs for the major sports facility, without regard to the other sources of contribution for the costs of construction of the major sports facility as described in division (H)(2) of this section and not on a pro rata basis. The state shall not incur debt to fund or assist a major sports facility receiving a performance grant under this section.

(4)(a) The professional sports franchise planning to use the facility, or the owner or an authorized affiliate, has executed and filed with the office of budget and management an escrow amount equal to eight and one-third per cent of the total amount of the performance grant appropriated for the project, which shall be deposited in an interest-bearing account maintained within the state treasury, nonrefundable disbursements from which shall be as described in division (H)(5) of this section. Whatever remains of the amount in escrow after the sixteen-year period, including any interest earnings thereon, shall be returned to the professional sports franchise, owner, or affiliate upon certification by the office of budget and management, in consultation with the department of taxation, that the total incremental major sports facility mixed-use project district state tax revenues



have achieved all required target amounts as described in division (H)(5) of this section.

(b) The professional sports franchise planning to use the facility, or the owner or an authorized affiliate, shall establish a supplemental reserve, which may take the form of a line of credit or other commercially reasonable type of certifiable and available liquidity, in an amount equal to the initial escrow account deposit required by division (H)(4)(a) of this section. The supplemental reserve shall be available to be drawn upon in accordance with division (H)(5)(c) of this section. The supplemental reserve shall not be required to be replenished if drawn upon in accordance with division (H)(5) of this section.

(5) The professional sports franchise planning to use the facility, or the owner or an authorized affiliate, has entered into an agreement with the office of budget and management that complies with this section and specifies all of the following:

(a) The incremental major sports facility mixed-use project district state tax revenues meet target amounts, as determined by the office of budget and management, in consultation with the Ohio facilities construction commission and the department of taxation, the total amount of which collected over a sixteen-year period equals or exceeds the amount of the performance grant appropriated to the project. The target amounts shall be as follows:

(i) For the first four full calendar years beginning in the year in which the performance grant is eligible for disbursement under an appropriation, ten per cent of the total appropriated amount;

(ii) For the second four-year period, twenty-six per cent of the total appropriated amount;

(iii) For the third four-year period, thirty-two per cent of the total appropriated amount;

(iv) For the fourth four-year period, thirty-two per cent of the total appropriated amount.

(b) Incremental major sports facility mixed-use project district state tax revenues in excess of the target amount shall be credited towards target amounts in future periods.

(c) If the incremental major sports facility mixed-use project district state tax revenues do not



achieve target amounts at the end of each four-year period as determined by the office of budget and management, in consultation with the department of taxation, the deficit shall be offset by any excess tax revenue credit from previous years under division (H)(5)(b) of this section. If a deficit remains, the office of budget and management shall take a nonrefundable amount of money equal to the remaining deficit amount from the escrow account described under division (H)(4) of this section and deposit it into the general revenue fund. If a deficit still remains, the office of budget and management shall take a nonrefundable amount of money equal to the remaining deficit amount for that period from the supplemental reserve established pursuant to division (H)(4)(b) of this section, to the extent available, and deposit the money into the general revenue fund. Beginning in the ninth calendar year after the performance grant is eligible for disbursement, and once annually thereafter until completion of the sixteenth year, the professional sports franchise, or the owner or an authorized affiliate, may request a determination by the office of budget and management, in consultation with the department of taxation, that the total incremental major sports facility mixed-use project district state tax revenues equals or exceeds the amount of the performance grant appropriated to the project. Once the total incremental major sports facility mixed-use project district state tax revenues equals or exceeds the amount of the performance grant appropriated to the project, whether at the conclusion of a designated four-year period under division (H)(5)(a) of this section or upon an annual request under this division, the professional sports franchise, or the owner or authorized affiliate, shall receive the remainder of the amount in escrow, principal and interest, as provided for under division (H)(4)(a) of this section.

(d) If, prior to the expiration of the fourth four-year period described in division (H)(5)(a) of this section, the owner's share of the ownership interest in the professional sports franchise becomes less than a controlling ownership interest, all rights, privileges, responsibilities, and obligations of the owner provided under this section and the agreement with the office of budget and management shall be assigned to, and assumed by, any new owner with a controlling ownership interest.

(e) Establishes the metes and bounds of, including all areas within, the proposed transformational major sports facility mixed-use project district, which shall meet all of the following requirements:

(i) All territory in the district is contiguous.

(ii) The office of budget and management receives a petition, accompanied by a description of the



proposed transformational major sports facility mixed-use project district, signed by every record owner of a parcel of real property located in the district and the owner of every business that operates in the district.

(iii) A transformational major sports facility mixed-use project will be located on territory of the proposed transformational major sports facility mixed-use project district.

(iv) Not more than one major sports facility mixed-use project may be located within a transformational major sports facility mixed-use project district.

(v) For purposes of determining total incremental major sports facility mixed-use project district state tax revenues, the district's territorial boundary may not be enlarged after it is established with the office of budget and management, which may consult with the department of taxation, the Ohio facilities construction commission, and any applicable county or municipal offices to ensure each requirement in this division is met.

(f) Every record owner of a parcel of real property located in the proposed transformational major sports facility mixed-use project district shall be required to comply with, and will cause every person that enters into a lease, license, use, or operating agreement for all or a portion of the building or facilities located in, a transformational major sports facility mixed-use project district to be subject to, reporting requirements as may be required by the department of taxation, in consultation with the office of budget and management and the Ohio facilities construction commission as described in division (J) of this section. Such requirement may be evidenced by an instrument that has been duly recorded in the land records of the county.

(6)(a) The professional sports franchise planning to use the major sports facility shall not cease playing most of its home games at the major sports facility and begin playing most of its home games at a different facility located anywhere outside of the transformational major sports facility mixed-use project district until the earlier of one of the following dates:

(i) The total incremental major sports facility mixed-use project district state tax revenues equals or exceeds the amount of the performance grant appropriated to the transformational major sports facility mixed-use project, inclusive of any amounts drawn from the escrow account or supplemental





reserve under division (H)(4) of this section ;.

(ii) Thirty years after the professional sports franchise plays its initial regular season home game at the major sports facility.

(b) This division is in addition to, independent of, and operates concurrently with section 9.67 of the Revised Code.

(I) Every person who owns real property located in, enters into a lease, license, use, or operating agreement for all or a portion of the building and facilities located in, or purchases or leases materials and items used in construction in the territory of a transformational major sports facility mixed-use project district is subject to reporting requirements as may be required by the department of taxation, in consultation with the office of budget and management and the Ohio facilities construction commission. Compliance with these requirements may be evidenced by an instrument that is duly recorded with the county recorder.

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

(1) For persons that collect transformational major sports facility mixed-use project district tax revenues pursuant to Chapter 5739. of the Revised Code, tax collections generated from construction or transactions in the territory of a transformational major sports facility mixed-use project district on the returns filed pursuant to Chapter 5739. of the Revised Code as prescribed by the department of taxation;



- (2) For persons that generate transformational major sports facility mixed-use project district tax revenues under Chapters 5741., 5747., and 5751. of the Revised Code, estimated payments for corporate income taxes generated from the transformational major sports facility mixed-use project district and information regarding gross revenues generated from activities in the transformational major sports facility mixed-use project district and gross revenues from all activities in this state;
- (3) For persons that make payments to an independent contractor attributable to construction or transactions in the territory of a transformational major sports facility mixed-use project district, information regarding such payments by the thirty-first day of January of each year in a format prescribed by the department of taxation. ;
- (4) The department of taxation may disclose taxpayer information regarding transactions, real or personal property, income, or business of any person to the governmental agency that owns, or holds a sufficient ownership interest in, a major sports facility as may be necessary for the administration of the provisions authorized by this section.
- (K) The department of taxation shall develop forms necessary to implement and administer this section.