Reviewed As To Form By
Legislative Service Commission

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136th General Assembly
Regular Session
2025-2026

Sub. H. B. No. 292

To enact sections 122.952, 122.953, and 122.954 of the Revised Code to establish the Ohio Defense and Space Advisory Commission and the Defense and Aerospace Industries Expansion Program, under which the Department of Development may make grants, and to make an appropriation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.952, 122.953, and 122.954 of the Revised Code be enacted to read as follows:

Sec. 122.952. (A) The Ohio defense and space advisory commission is created within the department of development. The commission shall consider strategies to promote the defense and aerospace industries in this state.

(B) The duties of the Ohio defense and space advisory commission include the following:

(1) Advising the department of development on administration of the defense and aerospace industries expansion program under section 122.953 of the Revised Code, which may include recommending specific projects for grant consideration;

(2) Studying and developing comprehensive strategies to promote the defense and aerospace industries throughout the state;

(3) Encouraging communication and resource-sharing among individuals and organizations involved in the defense and aerospace industries, including business, the military, and academia;

(4) Issuing recommendations to the department of development regarding how to prepare the state for favorable outcomes related to federal military base realignment and closure processes and how to recruit international businesses to invest in the state for defense and aerospace industry purposes;

(5) Promoting research, development, and manufacturing of technology to counter unmanned aerial vehicle systems in the state;

(6) Considering policies intended to improve quality of life for service members and veterans.

(C) Meetings of the Ohio defense and space advisory commission shall comply with section 121.22 of the Revised Code. Commencing in calendar year 2027, the commission shall meet at least six times per year.

(D) The Ohio defense and space advisory commission shall consist of the following members:

(1) The director of development, who shall serve as the chairperson of the commission;

(2) The adjutant general;

(3) Two members of the senate appointed by the president of the senate, one of whom shall be of the majority party and

one of whom shall be of the minority party;

(4) Two members of the house of representatives appointed by the speaker of the house of representatives, one of whom shall be of the majority party and one of whom shall be of the minority party;

(5) One individual with a background in or a knowledge of defense or aerospace industries, appointed by the governor;

(6) One individual with a background in or a knowledge of defense or aerospace industries, appointed by the president of the senate;

(7) One individual with a background in or a knowledge of defense or aerospace industries, appointed by the speaker of the house of representatives.

Appointed members shall have no conflict of interest with the position. For purposes of this section, "conflict of interest" means taking any action that violates any provision of Chapter 102. or 2921. of the Revised Code. A member of the commission is deemed a public official for purposes of Chapter 2921. of the Revised Code.

No other individuals shall serve on the Ohio defense and space advisory commission ex-officio.

(E) The commission members are not entitled to compensation. All commission members are entitled to their actual and necessary expenses incurred in the performance of their duties as such members, payable from the appropriations for the commission.

(F) Appointed commission members shall serve two year terms. Members of the general assembly who are appointed to the

commission shall serve on the commission for the duration of the member's legislative term. Members may be reappointed. A member may be removed from service on the commission by the member's appointing authority. Vacancies shall be filled in the manner of the original appointment.

(G) The commission shall compile an annual report of its activities, findings, and recommendations and shall furnish a copy of the report to the governor, director of development, president of the senate, and speaker of the house of representatives not later than the thirty-first day of December of each year.

Sec. 122.953. (A) The department of development shall administer a defense and aerospace industries expansion program under which the department may make development grants to support economic development related to the defense and aerospace industries.

(B) The department shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary for the administration of the defense and aerospace industries expansion program. The rules shall establish all of the following:

(1) A requirement that a development grant agreement be executed between the department and a grant recipient;

(2) The minimum requirements for a development grant agreement;

(3) An application form and procedures governing the process for applying to receive a development grant under the program;

(4) The maximum grant amount allowed under the program, and the maximum portion of the total estimated project cost that

shall be funded by the grant;

(5) Any other procedures, criteria, or grant terms that the department determines necessary to administer the program.

Sec. 122.954. (A) As used in this section, "grantee" means a recipient of anything of value under a development grant agreement with the department of development under section 122.953 of the Revised Code.

(B) Development grant funds shall only be expended by the grantee to whom the grant was awarded, and all development grant funds must be expended or obligated by a grantee in accordance with the development grant agreement. Any development grant funds not expended or obligated pursuant to the development grant agreement shall be returned to the department of development. If the department determines that a grantee has violated any terms of the development grant agreement, the department may require the grantee to return any and all development grant funds.

(C) A final report accounting for all development grant funds received by a grantee shall be submitted to the department of development and to the Ohio defense and space advisory commission not later than thirty days after all development grant funds have been expended or obligated. All expenditures and disbursements of development grant funds by a grantee shall be subject to generally accepted accounting principles. Any equipment purchased with development grant funds shall be retained by the grantee and used in accordance with the terms of the grant award for the useful life of the equipment.

(D) At any time, the department of development may require that the grantee undergo an audit of the project administration

and implementation. Within ten days after a request by the department, a grantee shall supply original or verifiable copies of all receipts and other appropriate documentation related to disposition of the development grant funds and make available for onsite inspection by the department any and all records, books, documents and financial reports upon reasonable notice. The grantee shall retain these materials in the offices of the grantee for two years from the acceptance of the project final report.

Section 2. All items in this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all operating appropriations made in this act, those in the first column are for fiscal year 2026 and those in the second column are for fiscal year 2027. The operating appropriations made in this act are in addition to any other operating appropriations made for these fiscal years.

Section 3.

1	2	3	4	5
A		DEV DEPARTMENT OF DEVELOPMENT		
B	General Revenue Fund			
C	GRF	195462 Defense & Aerospace Industries	$0	$5,000,000
D	General Revenue Fund Total		$0	$5,000,000
E	TOTAL ALL BUDGET FUND GROUPS		$0	$5,000,000

DEFENSE & AEROSPACE INDUSTRIES

The foregoing appropriation item 195462, Defense &

Aerospace Industries, shall be used to support the Defense and Aerospace Industries Expansion Program and the Ohio Defense and Space Advisory Commission established in sections 122.952 through 122.954 of the Revised Code.

Section 4. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the manner in which appropriation accounts shall be maintained. Expenditures from operating appropriations contained in this act shall be accounted for as though made in, and are subject to all applicable provisions of, H.B. 96 of the 136th General Assembly.