



## Public Library Fund

The Public Library Fund, formerly known as the Library and Local Government Support Fund, was created by the General Assembly in 1985 as part of a broader effort to phase out the intangible personal property tax. The fund was designed to offset the loss of revenue from the intangibles tax, then a key source of revenue for local libraries, by directing a share of state income tax collections to a fund established in each county. In turn, county officials distribute the revenue from that county fund to libraries and local governments.

The name of the state fund was changed from the Library and Local Government Support Fund to the Public Library Fund effective June 20, 2008 by Senate Bill 185.

Since 1993, permanent law had called for the fund to receive a fixed 5.7 percent of income tax collections, distributed to counties according to a formula outlined in the Ohio Revised Code. But these provisions were set aside by the 124th, 125th and 126th general assemblies as part of a series of temporary local government fund "freezes." Accordingly, from mid-2001 through mid-2007, Public Library Fund revenue was distributed to counties based largely on the amount received during the previous year.

The fund was reorganized as part of House Bill 119, enacted in June 2007 by the 127th General Assembly. Starting in January 2008, the Public Library Fund began receiving a fixed 2.22 percent of all General Revenue Fund (GRF) tax collections. Distributions from the fund to counties returned to the old formula outlined in R.C. 5747.46.

In 2009, the 128th General Assembly enacted House Bill 1, temporarily reducing the fixed percentage of GRF tax collections that are to be deposited into the fund. From Aug. 1, 2009 through June 30, 2011, this percentage was 1.97 percent.

From August 2011 through June 2013, the 129th General Assembly enacted House Bill 153 reducing the amount credited to the PLF to 95% of the amount received during the respective months in July 2010 through June 2011.

During the 2012 calendar year, counties received approximately \$344.0 million from the Public Library Fund.

### Revenue Sources

(Ohio Revised Code 131.44, 5747.03)

In January 2008, following a series of fund "freezes," the Public Library Fund began receiving a fixed 2.22 percent of all General Revenue Fund tax collections each month. Half of this monthly amount is credited against the sales and use tax and half against the kilowatt-hour tax.

House Bill 1 of the 128th General Assembly temporarily reduced the fixed percentage of GRF tax collections that are to be deposited into the fund. The formula for calculating the entitlements is dynamic and the exact amount to which a county is entitled cannot be known for certain until the end of each distribution year, when the total amount of revenue into the fund is known. Accordingly, each December, the department certifies the actual amount each county was entitled to receive under the distribution formula during the current calendar year, the amount each county actually received, and the difference between the two. During the first six months of the following year, each county's distribution is adjusted for any overpayment or underpayment received in the preceding year.

In 2012, House Bill 153 (the main operating budget bill for FY 2012 and 2013) funded the PLF based on 95% of the July 2010-June 2011 distributions. Items to note:

- Must account for \$3,689,401 transfer to OPLIN and \$1,274,194 transfer to the Library for the Blind in FY 2012, and \$3,689,788 transfer to OPLIN and \$1,274,194 transfer to the Library for the Blind in FY 2013.

For the January 2012-June 2013 distribution months, each county is to receive in distribution the same percentage that it received during CY 2011 distributions.

### Use of Funds Distributed

(R.C. 3375.05, 3375.121, 3375.40, 3375.403, 3375.82, 3375.85, 5705.32)

County budget commissions (composed of a county commissioner, the county auditor, and the county treasurer) determine the amounts to be allocated to all libraries. The amount is given to each library based on its needs for building construction and improvement, operations, maintenance, and other expenses required by the library and its branches. By law, libraries collectively may never receive a smaller share of county Public Library Fund distributions than the average percentage of the county's intangible property taxes that were distributed to all libraries in 1982, 1983, and 1984.

After fixing the amount to be distributed to libraries within the county, the county budget commission fixes an amount to distribute to municipal corporations in the county. By law, each municipal corporation receives a percentage of the remainder equal to the percentage share of all classified, or intangible, property taxes originating from that municipality in 1984.

Generally speaking, the vast majority of revenue distributed from the Public Library Fund is provided to libraries, with the remainder provided to other local governments in a few counties.

## Recent Legislation

### House Bill 1, 128th General Assembly (FY 2010-2011 biennial budget bill; budget provisions effective July 17, 2009; other provisions effective on Oct. 17, 2009 or on other dates)

**Reduction of revenue percentage** –The bill temporarily reduced the percentage of all GRF revenues credited to the fund from 2.22 percent to 1.97 percent for the period of Aug. 1, 2009 – June 30, 2011.

**Information network transfer** –The bill provides for a transfer of \$3,702,150 from the Public Library Fund to the Ohio Public Library Information Network (OPLIN) for FY 2010 and FY 2011.

**Fund for the blind transfer** –The bill provides for a transfer of \$1,274,194 from the Public Library Fund to the Library for the Blind Fund for FY 2010 and FY 2011.

**Transfer from GRF** –The bill provides that a transfer of \$5 million will be made from the GRF to the Public Library

Fund on July 1 of both FY 2010 and FY 2011, or as soon as possible thereafter.

### House Bill 153, 129th General Assembly (FY 2012-2013 biennial budget bill; budget provisions effective July 1, 2011)

In 2011, H.B. 153 (the main operating budget bill for fiscal years 2012 and 2013) funded the PLF based on 95% of the July 2010-June 2011 distributions. Items to note:

- July 2011 was still based on permanent law, so the new funding calculation did not begin until August 2011.
- Must account for \$3,689,401 transfer to OPLIN and \$1,274,194 transfer to the Library for the Blind in FY 2012, and \$3,689,788 transfer to OPLIN and \$1,274,194 transfer to the Library for the Blind in FY 2013.
- For the July 2011-December 2011 distribution months, each county is to receive in distribution the same percentage that it received during CY 2010 distributions.
- For the January 2012-June 2013 distribution months, each county is to receive in distribution the same percentage that it received during CY 2011 distributions.

Table 1

Local Government Support Fund/Public Library Fund Total Amounts Distributed to Counties: Calendar Years 1989 - 2012				
Calendar Year	Guaranteed Share	Equalization Share	Total Distribution	Percent Change in Total Distribution
1989	\$226,775,936	\$24,554,945	\$251,330,881	15.2 %
1990	262,655,557	–	262,655,557	4.50
1991	268,793,142	–	268,793,142	2.30
1992 <sup>1</sup>	268,793,142	–	268,793,142	0.00
1993 <sup>2</sup>	276,856,936	7,843,064	284,700,000	5.90
1994	293,810,400	3,172,181	296,982,901	4.30
1995	303,813,180	15,019,721	318,832,901	7.40
1996	329,035,554	13,564,940	342,600,494	7.50
1997	352,535,908	23,461,438	375,997,346	9.70
1998	384,269,286	40,394,095	424,663,381	12.90
1999	431,882,659	23,881,967	455,764,626	7.3
2000	465,355,682	25,664,582	491,000,264	7.70
2001 <sup>3</sup>	–	–	496,458,342	1.10
2002 <sup>4</sup>	–	–	457,671,290	7.80
2003 <sup>5</sup>	–	–	452,648,009	- 1.10
2004 <sup>6</sup>	–	–	455,470,323	- 0.60
2005 <sup>7</sup>	–	–	457,970,324	0.50
2006 <sup>7</sup>	–	–	457,970,324	–
2007 <sup>7</sup>	–	–	457,970,324	–
2008 <sup>8</sup>	450,578,991	–	450,578,991	1.67
2009 <sup>9</sup>	370,367,615	–	370,367,615	- 17.8
2010 <sup>9</sup>	347,952,236	–	347,952,236	- 6.10
2011 <sup>10</sup>	349,963,756	14,707,352	364,671,108	4.80
2012 <sup>11</sup>	344,026,827	–	344,026,827	-5.66

1 Distributions during calendar year 1992 were capped at the 1991 dollar level.

2 Total calendar year 1993 distributions were guaranteed to equal at least \$284.7 million.

3 Beginning in July 2001, distributions were “frozen” at the amount received during July 2000 – December 2000. Figure shown is after transfers to OPLIN Technology Fund.

4 Distributions during calendar year 2002 were “frozen” based upon the amounts distributed during July 2000 – June 2001. Figure shown is after monthly transfers to OPLIN Technology Fund and after March 2002 and July 2002 reconciliation adjustments pursuant to H.B. 405.

5 Distributions during calendar year 2003 were “frozen” based upon the amounts distributed during July 2000 – June 2001. Figure shown is after monthly transfers to OPLIN Technology Fund, the July 2003 reconciliation adjustments pursuant to H.B. 405, and the \$9.7 million reduction in July 2003 as required by H.B. 40.

6 Distributions during calendar year 2004 were “frozen” based on the amounts distributed during calendar year 2003. Figure shown is after transfers to OPLIN Technology Fund.

7 Distributions during calendar years 2005 – 2007 were frozen based on amounts distributed during calendar year 2004. Transfers to OPLIN no longer are applied.

8 Distributions during calendar year 2008 and subsequent years returned to the statutory pre-“freeze” methodology.

9 Amount of GRF tax revenue deposited into fund is reduced from 2.22 percent to 1.97 percent from Aug. 1, 2009 - June 30, 2011.

10 The 2011 share of excess was applicable for Jan - June 2011 period only due to H.B. 153.

11 Reflects the effects of H.B. 153. Figure shown is after transfers to OPLIN and Library for the Blind.

Table 2

Public Library Fund: Calendar Year 2012					
County	Amount	County	Amount	County	Amount
ADAMS	\$755,065	HAMILTON	\$35,515,843	NOBLE	\$351,860
ALLEN	\$3,148,668	HANCOCK	\$2,242,213	OTTAWA	\$1,178,130
ASHLAND	\$1,464,012	HARDIN	\$876,322	PAULDING	\$564,382
ASHTABULA	\$2,847,124	HARRISON	\$510,750	PERRY	\$924,067
ATHENS	\$1,674,531	HENRY	\$817,785	PICKAWAY	\$1,410,767
AUGLAIZE	\$1,335,216	HIGHLAND	\$1,076,088	PIKE	\$734,515
BELMONT	\$2,027,155	HOCKING	\$761,167	PORTAGE	\$4,161,932
BROWN	\$1,071,741	HOLMES	\$993,890	PREBLE	\$1,154,706
BUTLER	\$8,856,997	HURON	\$1,662,119	PUTNAM	\$963,195
CARROLL	\$783,197	JACKSON	\$904,648	RICHLAND	\$3,765,071
CHAMPAIGN	\$1,029,986	JEFFERSON	\$2,202,791	ROSS	\$2,029,400
CLARK	\$4,129,146	KNOX	\$1,450,955	SANDUSKY	\$1,763,560
CLERMONT	\$4,612,663	LAKE	\$6,605,094	SCIOTO	\$2,251,512
CLINTON	\$1,106,418	LAWRENCE	\$1,762,209	SENECA	\$1,727,749
COLUMBIANA	\$3,103,032	LICKING	\$3,847,953	SHELBY	\$1,345,613
COSHOCTON	\$1,038,942	LOGAN	\$1,239,377	STARK	\$11,203,203
CRAWFORD	\$1,364,865	LORAIN	\$7,856,593	SUMMIT	\$16,100,190
CUYAHOGA	\$48,168,285	LUCAS	\$13,976,992	TRUMBULL	\$6,485,928
DARKE	\$1,523,525	MADISON	\$1,101,142	TUSCARAWAS	\$2,465,457
DEFIANCE	\$1,119,024	MAHONING	\$7,575,732	UNION	\$1,050,240
DELAWARE	\$2,592,449	MARION	\$1,843,987	VAN WERT	\$856,123
ERIE	\$2,373,050	MEDINA	\$3,863,834	VINTON	\$331,260
FAIRFIELD	\$3,302,066	MEIGS	\$657,322	WARREN	\$3,873,528
FAYETTE	\$791,284	MERCER	\$1,150,046	WASHINGTON	\$1,780,046
FRANKLIN	\$31,351,560	MIAMI	\$2,826,764	WAYNE	\$3,178,253
FULTON	\$1,166,069	MONROE	\$425,517	WILLIAMS	\$1,101,894
GALLIA	\$891,404	MONTGOMERY	\$17,808,725	WOOD	\$3,720,109
GEAUGA	\$2,909,565	MORGAN	\$399,297	WYANDOT	\$642,065
GREENE	\$4,091,420	MORROW	\$834,271		
GUERNSEY	\$1,120,307	MUSKINGUM	\$2,373,877	<b>TOTAL</b>	<b>\$344,026,827</b>