

Library and Local Government Support Fund

The 115th General Assembly, in H.B. 291, created the Library and Local Government Support Fund (LLGSF) to replace the locally-collected intangible property tax, which was repealed in calendar year 1986. The LLGSF provides aid from state income tax collections to counties on a monthly basis to libraries and local governments that were receiving revenue from the intangible property tax. H.B. 291 also created a 12-member Public Library Financing and Support Committee to assist the General Assembly and the Governor in developing an equitable method of distributing the funds among the counties. A distribution formula was incorporated in H.B. 146 and became law on July 12, 1985.

counties based on their equalization ratios. The equalization ratio is determined by the county's most recent percentage of the state's population and the county's percentage share of the previous year's total distribution. Each county's equalization ratio is multiplied by the total amount of the share of the excess to determine each county's portion of that amount. The ratio allows those counties that have had the lowest per capita LLGSF distributions in prior years to see the greatest per capita growth in funding, while assuring that all counties have relative growth.

In 2002, \$457.7 million was distributed from the fund. This represents a 7.8 percent decrease over the prior year. Nearly all the money in the LLGSF is distributed to libraries.

H. B. 94, 124th General Assembly, the FY 2002-2003 Biennial Budget Bill, temporarily set aside the distribution formula described above. Between July 2001 and July 2003, counties received the same amounts they received during the corresponding months of the July 2000 through June 2001 period. However, each county's monthly distribution was reduced by the county's proportion of the amount required to be transferred to the Ohio Public Library Information Network (OPLIN) Technology Fund. Additionally, distributions in July 2002 and July 2003 were reduced as a result of H.B. 405 adjustments.

This "freeze" was continued with H.B. 95, 125th General Assembly, the FY 2004-2005 Biennial Budget Bill (see **Recent Legislation**).

REVENUE SOURCE (R.C. 131.44, 5747.03):

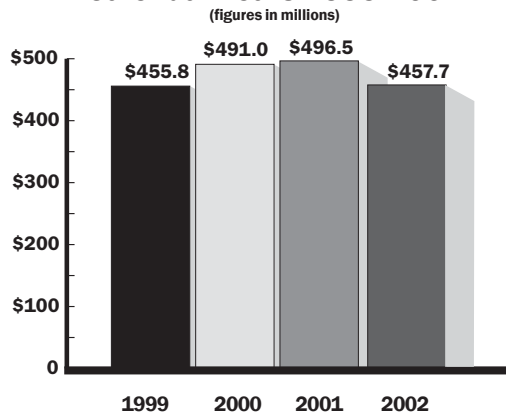
According to permanent law, the LLGSF receives 5.7 percent of the individual income tax collections. However, the LLGSF funding levels were reduced according to uncodified Section 70 of H.B. 94. That section required the transfer of \$6,361,095 from the LLGSF to the OPLIN Technology Fund in FY 2002. In FY 2003, the transfer equals \$6,477,962. (According to a schedule issued by the Office of Budget and Management, the transfers will occur in equal monthly installments in both fiscal years).

DISTRIBUTIONS TO COUNTIES (R.C. 5747.46):

The distribution formula contained in R.C. 5747.46 consists of two parts: the guaranteed share and the share of the excess.

The guaranteed share is equal to the previous year's fund total plus an inflation factor. This portion of the fund is distributed to counties based on each county's share of the previous year's fund total. When there is an amount in excess of the guaranteed share, it is distributed among

Library & Local Government Support Fund Calendar Years 1999-2002



MONTHLY DISTRIBUTION PROCEDURE (R.C. 5747.47, 5747.48):

H.B. 94 temporarily replaced the statutory funding mechanism described above. According to uncodified Section 140 of the bill, during each month of the July 2001-May 2002 period and the July 2002-May 2003 period, the fund received the same amount it received during the corresponding month of the July 2000 through May 2001 period. In addition, during June 2002 and June 2003 the fund received the same amount it received in June 2000, less any H.B. 405 and H.B. 40 adjustments.

Allocations from the previous month's LLGSF balance to counties are made on or before the 10th of each month. The Department of Taxation determines the total amount available and the allocation to be made to each county. The allocation of the county LLGSF is made by the county treasurer to the county, boards of public library trustees, municipal corporations, and the board of township park commissioners on or before the 15th of each month.

USE OF FUNDS DISTRIBUTED (R.C. 3375.05, 3375.121, 3375.40, 3375.403, 3375.82, 3375.85, 5705.32):

County budget commissions determine the amounts to be given to all libraries. The amount given to each library is based on its needs for building construction and improvement, operations, maintenance, and other expenses required by the library and its branches. The amount paid to all libraries shall never be a smaller percentage than the average percentage of the county's classified property taxes that were distributed to libraries in 1982, 1983, and 1984. After fixing the amount to be distributed to libraries in the county, the county budget commission shall fix an amount to distribute to municipal corporations in the county. Each municipal corporation shall receive a percentage of the remainder equal to the percent received of classified property taxes originating from such municipality in 1984.

REVENUE ENTITLEMENTS TO COUNTIES (R.C. 5747.47):

The Department of Taxation certifies three estimated entitlement figures to counties for each year: one by July 20th of the previous year, one in December of the previous year, and another in June of the distribution year. Each December, the Department also 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 next year, each county's distribution will be adjusted for any overpayment or underpayment in the preceding year. Table 1 shows the amounts actually distributed to the counties in 2002, which totaled \$457.7 million.

RECENT LEGISLATION:

H.B. 95, 125th General Assembly (effective June 26, 2003, FY 2004-2005 Biennial Budget Bill).

Section 139 –

Continues the "freeze" on deposits to and distributions from the LLGSF. The bill dictates that each month during August 2003 through July 2004 each county will receive the same amount it received during August 2002 through July 2003. June 2004 distributions will be reduced by the July 2003 H.B. 405 adjustment (\$31.4 million). However, this amount will be

added back to the July 2004 distribution. Monthly distributions will also be reduced in August 2003 through July 2004 by transfers to the OPLIN Technology Fund. The monthly transfers total \$5 million in fiscal year 2004.

H.B. 40, 125th General Assembly (effective March 7, 2003).

Section 140 –

Provided the administration the authority to reduce the LLGSF, LGF, and LGRAF funds by \$30 million to address budgetary shortfalls for FY 2003.

H.B. 405, 124th General Assembly (effective December 31, 2001, Section 140) and H.B. 390, 124th General Assembly (effective March 4, 2002).

Section 140 –

Allowed the General Revenue Fund to be credited in February 2002, June 2002, February 2003 and June 2003 the difference between the "base year" freeze amounts and the amounts actually deposited in the LLGSF, if the funds had not been frozen. Each recipient's distribution was reduced by a pro rata share of the amount credited to the General Revenue Fund from the LLGSF.

H.B. 94, 124th General Assembly (effective September 6, 2001, FY 2002-2003 Biennial Budget Bill).

Section 140 –

Temporarily replaced the statutory funding mechanism and the county allocation formula for the LLGSF. Instead of receiving 5.7 percent of collections from the state income tax during each month of the July 2001 – May 2002 period and the July 2002 – May 2003 period, the fund received the same monthly amount received during the July 2000 through May 2001 period. In addition, during June 2002 and June 2003 the fund received the same amount received in June 2000.

From July 2001 through July 2003, each county received the same amount received during the July 2000 - June 2001 "base year" period.

Uncodified Section 70 –

Transfers were required to be made from the LLGSF to the OPLIN Technology Fund. In FY 2002, \$6,361,095 was transferred from the LLGSF to the OPLIN Technology Fund. In FY 2003, the transfer was \$6,477,962. Because of these transfers, each county's LLGSF distribution was reduced based on its percentage share of the LLGSF.



Table 1
Library and Local Government Support Fund, Total Amounts Distributed to
Counties, Calendar Years 1987-2002

Calendar Year	Guaranteed Share	Equalization Share	Total Distribution	Percent Change in Total Distribution
1987	\$181,080,868	\$26,292,922	\$207,373,790	16.4%
1988	215,253,994	3,009,660	218,263,654	5.3
1989	226,775,936	24,554,945	251,330,881	15.2
1990	262,655,557	0	262,655,557	4.5
1991	268,793,142	0	268,793,142	2.3
1992 ^(a)	268,793,142	0	268,793,142	0.0
1993 ^(b)	276,856,936	7,843,064	284,700,000	5.9
1994	293,810,400	3,172,181	296,982,901	4.3
1995	303,813,180	15,019,721	318,832,901	7.4
1996	329,035,554	13,564,940	342,600,494	7.5
1997	352,535,908	23,461,438	375,997,346	9.7
1998	384,269,286	40,394,095	424,663,381	12.9
1999	431,882,659	23,881,967	455,764,626	7.3
2000	465,355,682	25,664,582	491,000,264	7.7
2001 ^(c)	—	—	496,458,342	1.1
2002 ^(d)	—	—	457,671,290	-7.8

(a) Distributions during calendar year 1992 were capped at the 1991 dollar level.
 (b) Total calendar year 1993 distributions were guaranteed to equal at least \$284.7 million.
 (c) Distributions during calendar year 2001 were frozen in July 2001 at the amount received during July 2000 – December 2000. These amounts also reflect the OPLIN adjustments made.
 (d) Distributions during calendar year 2002 were frozen based upon distribution amounts from July 2000-June 2001. These amounts reflect OPLIN and H.B. 405 adjustments made.



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Table 2
Library and Local Government Support
Fund – Amounts Distributed to Counties,*
Calendar Year 2002

County	Amount	County	Amount
ADAMS	\$995,853	LOGAN	\$1,632,710
ALLEN	4,200,217	LORAIN	10,312,115
ASHLAND	1,929,180	LUCAS	18,650,011
ASHTABULA	3,774,489	MADISON	1,445,975
ATHENS	2,205,880	MAHONING	10,151,997
AUGLAIZE	1,772,429	MARION	2,443,740
BELMONT	2,701,187	MEDINA	4,965,679
BROWN	1,396,566	MEIGS	872,885
BUTLER	11,545,266	MERCER	1,524,907
CARROLL	1,035,154	MIAMI	3,744,262
CHAMPAIGN	1,353,033	MONROE	567,561
CLARK	5,497,614	MONTGOMERY	23,945,465
CLERMONT	5,979,998	MORGAN	528,786
CLINTON	1,452,130	MORROW	1,085,528
COLUMBIANA	4,121,415	MUSKINGUM	3,144,415
COSHOCTON	1,381,250	NOBLE	459,349
CRAWFORD	1,826,390	OTTAWA	1,564,952
CUYAHOGA	65,241,701	PAULDING	751,700
DARKE	2,027,364	PERRY	1,214,947
DEFIANCE	1,487,807	PICKAWAY	1,851,505
DELAWARE	2,987,388	PIKE	967,074
ERIE	3,171,606	PORTAGE	5,479,588
FAIRFIELD	4,267,168	PREBLE	1,528,479
FAYETTE	1,048,680	PUTNAM	1,275,821
FRANKLIN	41,443,888	RICHLAND	5,023,619
FULTON	1,541,893	ROSS	2,674,666
GALLIA	1,184,460	SANDUSKY	2,346,588
GEAUGA	3,874,676	SCIOTO	2,996,837
GREENE	5,367,746	SENECA	2,308,066
GUERNSEY	1,483,681	SHELBY	1,779,309
HAMILTON	48,338,996	STARK	14,919,374
HANCOCK	2,991,885	SUMMIT	21,450,222
HARDIN	1,158,877	TRUMBULL	8,666,587
HARRISON	686,751	TUSCARAWAS	3,254,559
HENRY	1,085,133	UNION	1,341,726
HIGHLAND	1,410,720	VAN WERT	1,141,385
HOCKING	1,001,391	VINTON	433,350
HOLMES	1,290,563	WARREN	4,775,313
HURON	2,199,833	WASHINGTON	2,366,955
JACKSON	1,194,182	WAYNE	4,208,532
JEFFERSON	2,955,289	WILLIAMS	1,465,421
KNOX	1,890,973	WOOD	4,957,151
LAKE	8,749,608	WYANDOT	852,481
LAWRENCE	2,334,731		
LICKING	5,014,659	TOTAL	\$457,671,290

* Amounts shown are the actual distributions made to counties in CY 2002, including any statutory adjustments.