

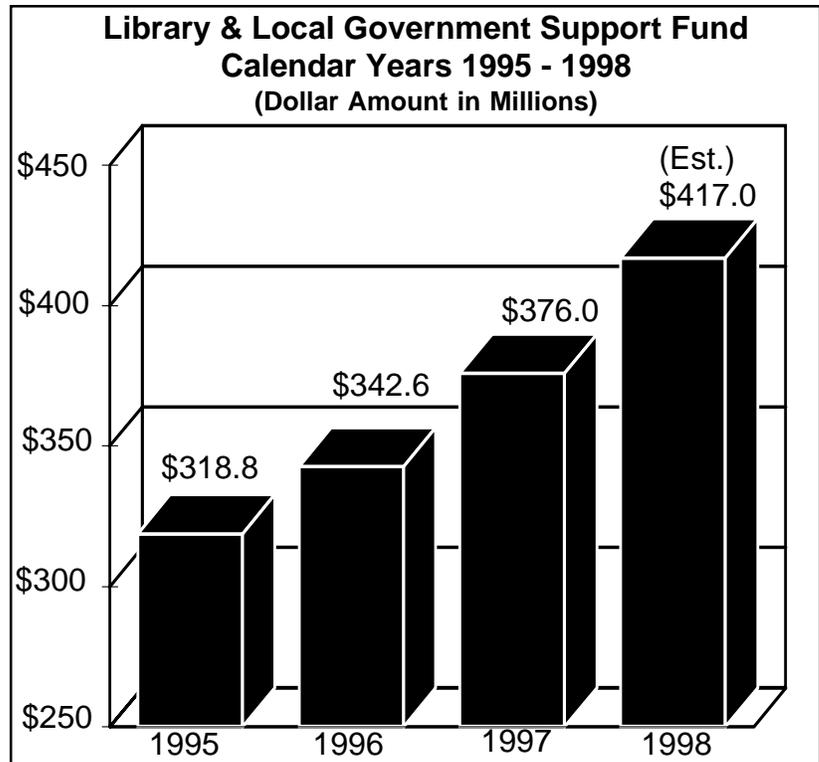
LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND

The library and local government support fund (LLGSF) was created in House Bill 291 of the 115th General Assembly to replace the locally-collected intangible property tax, which was repealed beginning in calendar year 1986. The purpose of the fund is to provide aid from state income tax collections to counties on a monthly basis for libraries and local governments which were receiving revenue from the intangible property tax. House Bill 291 created a 12-member Public Library Financing and Support Committee to assist the Legislature and Governor in developing an equitable method of distributing the funds among the counties. The committee issued a report which included a distribution formula that was incorporated in House Bill 146. This bill was passed by the Legislature in May 1985, and signed into law by the Governor on July 12, 1985.

In the first distribution year, calendar year 1986, a total of \$178.2 million was distributed to county governments by the Department of Taxation from the LLGSF. In 1997, \$376.0 million was distributed from the fund. As of June 1998, total distributions in 1998 were projected to be \$417.0 million. Nearly all the money in the total state library and local government support fund is distributed to libraries, while six counties provided local governments with some money from this fund.

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

Prior to 1992, the library and local government support fund received 6.3 percent of personal income tax collections. House Bill 152 (the FY 1994-1995 biennial budget bill) required the amount of funding for calendar year 1993 to be \$284.7 million and established that during the remainder of the budget period (ending June 30, 1995) the fund was to receive 5.7 percent of income tax collections. House Bill 117 (the FY 1996-1997 biennial budget bill) made permanent the 5.7 percent funding per-



centage. Senate Bill 310 mandated a reduction in the state income tax rate for tax year 1996 based on the fiscal year 1996 state budget surplus, requiring a transfer of \$22.8 million to the library and local government support fund during calendar year 1997 in order to offset the revenue loss caused by the tax year 1996 rate cut. The reduction mechanism was made permanent in House Bill 215, requiring a \$15.0 million transfer to the LLGSF in 1998.

DISTRIBUTIONS TO COUNTIES (R.C. 5747.46):

The distribution formula contained in Ohio Revised Code Section 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 the ratios of the amount of the previous year's fund a county was entitled to the fund total. When there is an amount in excess of the guaranteed share, it would be distributed among counties based on their equalization ratios. The equalization ratio is determined by the county's most recent percentage of the state's popu-

lation 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 will allow those counties that have had the lowest per capita Library and Local Government Support Fund distributions in prior years the greatest per capita growth in funding, while assuring that all counties have relative growth.

The guaranteed share for the calendar year 1997 distribution was equal to the 1996 fund total plus an inflation factor. The 1996 fund total was \$342.6 million and the inflation factor was 2.9 percent, meaning the guaranteed share was \$352.5 million. The share of the excess for 1997 was \$23.5 million. The combined total was \$376.0 million. The guaranteed and equalization shares for each year are shown in Table 51A.

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

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

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

The 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 for 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 the 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 51B shows the amounts actually distributed to the counties in 1997, which totaled \$376.0 million.

Table 51A
Library and Local Government Support Fund --Total Amounts Distributed
to Counties, Calendar Years 1986-1997

Calendar Year	Guaranteed Share	Equalization Share	Total Distribution	Percent Change in Total Distribution
1986	\$167,535,449	\$10,693,752	\$178,229,201	—
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	296,982,581	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

(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.

Table 51B
Library and Local Government Support Fund --
Amounts Distributed to Counties*, Calendar Year 1997

County	Amount Distributed	County	Amount Distributed
Adams	\$714,984	Logan	\$1,191,817
Allen	3,361,423	Lorain	7,777,607
Ashland	1,479,929	Lucas	15,616,703
Ashtabula	2,857,338	Madison	1,029,547
Athens	1,633,706	Mahoning	8,204,663
Auglaize	1,377,578	Marion	1,891,244
Belmont	2,155,770	Medina	3,562,695
Brown	991,487	Meigs	654,473
Butler	8,365,572	Mercer	1,169,088
Carroll	764,853	Miami	2,959,395
Champaign	986,404	Monroe	433,685
Clark	4,260,845	Montgomery	20,414,342
Clermont	4,206,288	Morgan	394,925
Clinton	1,107,696	Morrow	776,650
Columbiana	3,142,352	Muskingum	2,416,317
Coshocton	1,087,863	Noble	354,614
Crawford	1,452,859	Ottawa	1,237,944
Cuyahoga	58,465,996	Paulding	576,742
Darke	1,563,686	Perry	890,001
Defiance	1,143,080	Pickaway	1,311,426
Delaware	2,055,729	Pike	695,948
Erie	2,608,539	Portage	4,115,889
Fairfield	3,061,561	Preble	1,117,750
Fayette	796,470	Putnam	952,537
Franklin	34,337,422	Richland	4,052,830
Fulton	1,182,166	Ross	1,958,557
Gallia	870,813	Sandusky	1,819,048
Geauga	3,377,746	Scioto	2,297,899
Greene	4,167,502	Seneca	1,823,777
Guernsey	1,113,320	Shelby	1,382,990
Hamilton	46,158,662	Stark	12,178,206
Hancock	2,582,866	Summit	17,604,512
Hardin	874,073	Trumbull	6,843,872
Harrison	586,505	Tuscarawas	2,477,823
Henry	811,012	Union	954,027
Highland	1,022,404	Van Wert	886,629
Hocking	712,377	Vinton	318,627
Holmes	906,404	Warren	3,272,576
Huron	1,666,276	Washington	1,817,120
Jackson	907,832	Wayne	3,335,258
Jefferson	2,365,165	Williams	1,164,736
Knox	1,401,627	Wood	4,177,688
Lake	7,031,885	Wyandot	658,904
Lawrence	1,744,322		
Licking	3,763,878	Total	\$375,997,346

* Amounts shown are the actual distributions made to counties in CY 1997, including any statutory adjustments for 1996 made in the first half of 1997.