

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in House Bill 291 of the 115th General Assembly to replace the locally-collected intangible property tax, which was repealed beginning in calendar year 1986.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 also 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 and became law on July 12, 1985.

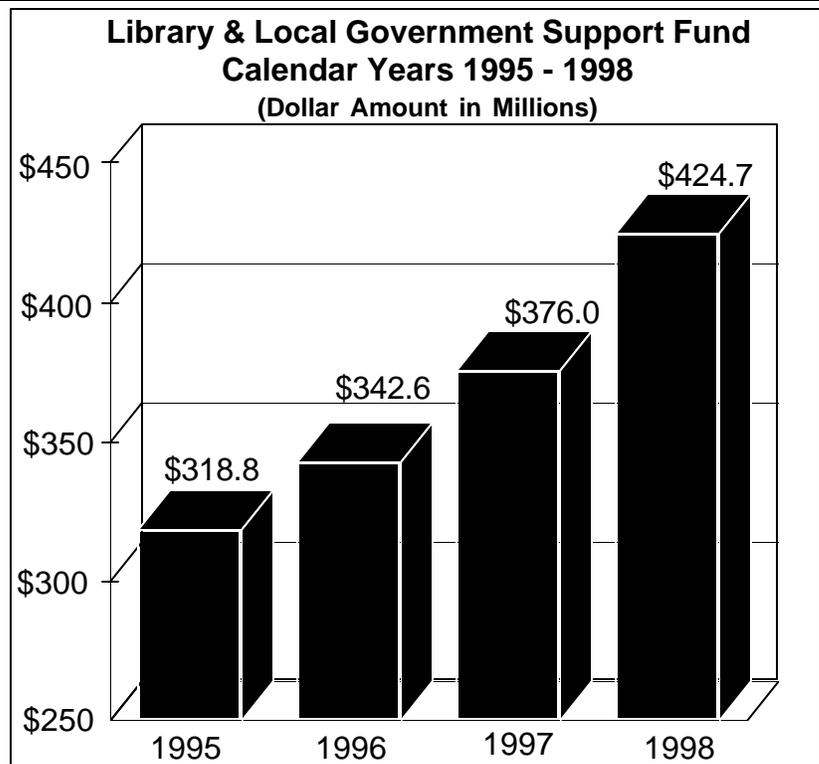
In 1998, \$424.7 million was distributed from the fund. Nearly all the money in the total state library and local government support fund is distributed to libraries, while six counties provided local governments with some money from this fund.

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

The library and local government support fund receives 5.7 percent of personal income tax collections. House Bill 117 (the FY 1996-1997 biennial budget bill) made permanent the 5.7 percent funding percentage. 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. The reduction mechanism was made permanent in House Bill 215. The required transfer to the LLGSF in 1999 was 40.0 million.

DISTRIBUTIONS TO COUNTIES (R.C. 5747.46):

The distribution formula contained in Ohio Re-



vised 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 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 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 1998 distribution was equal to the 1997 fund total plus an inflation factor. The 1997 fund total was \$376.0

million and the inflation factor was 2.2 percent, meaning the 1998 guaranteed share was \$384.3 million. The share of the excess for 1998 was \$40.4 million. The combined total was \$424.7 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 1998, which totaled \$424.7 million.

Table 51A
Library and Local Government Support Fund -- Total Amounts Distributed to Counties, Calendar Years 1986-1998

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
1998	384,269,286	40,394,095	424,663,381	12.9

(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 1998

County	Amount Distributed	County	Amount Distributed
Adams	\$868,186	Logan	\$1,435,332
Allen	3,858,100	Lorain	9,210,310
Ashland	1,731,556	Lucas	17,470,374
Ashtabula	3,372,371	Madison	1,260,832
Athens	1,952,887	Mahoning	9,372,659
Auglaize	1,602,757	Marion	2,212,072
Belmont	2,476,912	Medina	4,308,330
Brown	1,208,771	Meigs	778,514
Butler	10,079,430	Mercer	1,370,682
Carroll	912,451	Miami	3,406,606
Champaign	1,190,266	Monroe	510,001
Clark	4,979,057	Montgomery	22,642,656
Clermont	5,155,467	Morgan	470,982
Clinton	1,294,114	Morrow	943,392
Columbiana	3,700,333	Muskingum	2,829,760
Coshocton	1,257,366	Noble	413,143
Crawford	1,671,738	Ottawa	1,425,207
Cuyahoga	63,197,727	Paulding	678,394
Darke	1,828,724	Perry	1,069,309
Defiance	1,341,202	Pickaway	1,609,617
Delaware	2,505,856	Pike	843,532
Erie	2,944,777	Portage	4,874,076
Fairfield	3,707,747	Preble	1,344,410
Fayette	939,183	Putnam	1,135,034
Franklin	38,541,271	Richland	4,624,088
Fulton	1,382,851	Ross	2,354,682
Gallia	1,043,770	Sandusky	2,124,751
Geauga	3,681,339	Scioto	2,700,246
Greene	4,835,991	Seneca	2,104,458
Guernsey	1,319,417	Shelby	1,607,666
Hamilton	48,452,960	Stark	13,803,057
Hancock	2,838,646	Summit	19,853,583
Hardin	1,034,613	Trumbull	7,908,808
Harrison	648,541	Tuscarawas	2,913,305
Henry	965,723	Union	1,156,289
Highland	1,235,931	Van Wert	1,033,771
Hocking	869,795	Vinton	383,316
Holmes	1,113,957	Warren	4,037,560
Huron	1,960,793	Washington	2,132,493
Jackson	1,067,312	Wayne	3,828,178
Jefferson	2,723,436	Williams	1,338,269
Knox	1,666,935	Wood	4,641,390
Lake	8,028,918	Wyandot	769,118
Lawrence	2,077,059		
Licking	4,466,896	Total	\$424,663,381

* Amounts shown are the actual distributions made to counties in CY 1998, including any statutory adjustments for 1997 made in the first half of 1998.