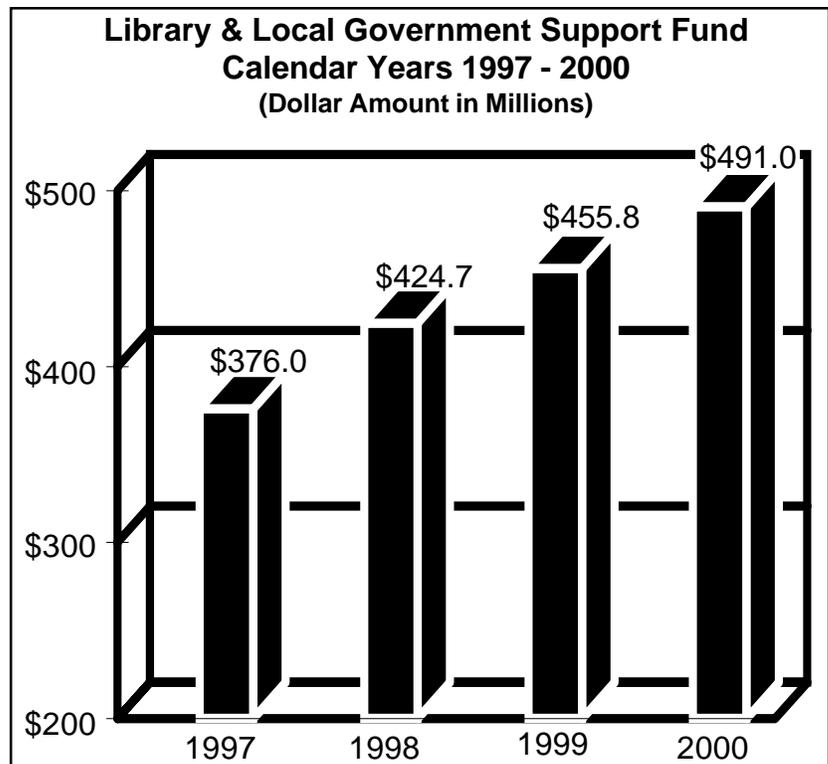


# LIBRARY AND LOCAL GOVERNMENT SUPPORT FUND

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in House Bill 291 of the 115th General Assembly to replace the locally-collected intangible property tax, which was repealed beginning in calendar year 1986.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 fund provides 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 2000, \$491 million was distributed from the fund, a 7.7 percent increase over the prior year. 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.

**LAW CHANGE FOR 2002-2003:** House Bill 94 temporarily sets aside the distribution formula described above. Between July 2001 and July 2003, counties will receive the same amounts they received during the corresponding month of the July 2000 through June 2001 period. However, there will be a reduction in each county's monthly distribution due to the required transfer of monies from the LLGSF to the OPLIN Technology 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. A designated share of any state budget surplus is used to reduce the state income tax rates. The cost of the rate cuts to the LLGSF is reimbursed through a transfer from the surplus to

the LLGSF. The required transfer to the LLGSF in 2001 was \$34.8 million. (There will be no tax cuts or transfers during the fiscal year 2002 and 2003 biennium).

The LLGSF funding levels will be reduced according to uncodified section 70 of House Bill 94. That section requires \$6,361,095 to be transferred from the library and local government support fund to the OPLIN Technology Fund in state fiscal year 2002. In state fiscal year 2003, the transfer will equal \$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 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 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 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 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 2000 distribution was equal to the 1999 fund total plus an inflation factor. The 1999 fund total was \$455.8 million and the inflation factor was 2.1 percent, meaning the 2000 guaranteed share was \$465.3 million. The share of the excess for 2000 was \$25.7 million. The combined total was \$491.0 million. The guaranteed and equalization shares for each year are shown in Table 46.

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

House Bill 94 temporarily replaces 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 will receive the same amount it received during the corresponding month of the July 2000 through May 2001 period. In addition, during the June 2002 and June 2003 the fund will receive the same amount it received in June 2000.

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 47 shows the amounts actually distributed to the counties in 2000, which totaled \$491.0 million.

**RECENT LEGISLATION:**

**House Bill 94; Effective September 6, 2001.**

**Section 140** - Temporarily replaces the statutory funding mechanism and the county allocation formula for the Library and Local Government Support Fund. Instead of receiving 5.7% 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 will receive the same monthly amount received during the July 2000 through May 2001 period. In addition, during June 2002 and June 2003 the fund will receive the same amount received in June 2000.

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

**Uncodified Section 70** - Transfers are to be made

from the Library and Local Government Support Fund to the OPLIN Technology Fund. In fiscal year 2002, \$6,361,095 will be transferred from the LLGSF to the OPLIN Technology Fund. In fiscal year 2003, the transfer will be \$6,477,962. Because of these transfers, each county's LLGSF distribution will be reduced based on its percentage share of the LLGSF.

**Table 46  
Library and Local Government Support Fund -- Total Amounts Distributed to Counties, Calendar Years 1986-2000**

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
1999	431,882,659	23,881,967	455,764,626	7.3
2000	465,355,682	25,664,582	491,000,264	7.7

(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 47**  
**Library and Local Government Support Fund --**  
**Amounts Distributed to Counties,\* Calendar Year 2000**

County	Amount Distributed	County	Amount Distributed
Adams	\$1,049,639	Logan	\$1,724,098
Allen	4,494,732	Lorain	10,942,557
Ashland	2,049,266	Lucas	20,072,847
Ashtabula	4,004,564	Madison	1,523,913
Athens	2,334,516	Mahoning	10,881,310
Auglaize	1,887,111	Marion	2,603,387
Belmont	2,888,874	Medina	5,222,396
Brown	1,467,277	Meigs	925,565
Butler	12,168,625	Mercer	1,620,205
Carroll	1,094,142	Miami	3,992,625
Champaign	1,429,877	Monroe	602,999
Clark	5,859,360	Montgomery	25,840,921
Clermont	6,274,935	Morgan	560,906
Clinton	1,538,198	Morrow	1,141,876
Columbiana	4,379,458	Muskingum	3,344,126
Coshocton	1,473,658	Noble	488,062
Crawford	1,950,751	Ottawa	1,668,633
Cuyahoga	70,935,653	Paulding	800,121
Darke	2,157,695	Perry	1,283,602
Defiance	1,583,176	Pickaway	1,947,823
Delaware	3,100,550	Pike	1,018,991
Erie	3,405,161	Portage	5,806,954
Fairfield	4,484,853	Preble	1,613,990
Fayette	1,113,923	Putnam	1,351,683
Franklin	44,484,828	Richland	5,378,070
Fulton	1,636,349	Ross	2,825,930
Gallia	1,251,050	Sandusky	2,499,661
Geauga	4,185,605	Scioto	3,188,578
Greene	5,683,350	Seneca	2,463,427
Guernsey	1,571,907	Shelby	1,893,751
Hamilton	53,116,813	Stark	15,994,039
Hancock	3,231,414	Summit	22,977,813
Hardin	1,229,579	Trumbull	9,254,869
Harrison	740,782	Tuscarawas	3,454,680
Henry	1,150,208	Union	1,407,216
Highland	1,486,684	Van Wert	1,216,192
Hocking	1,053,800	Vinton	458,033
Holmes	1,355,263	Warren	4,970,246
Huron	2,333,140	Washington	2,518,471
Jackson	1,267,335	Wayne	4,488,324
Jefferson	3,167,771	Williams	1,564,633
Knox	1,996,854	Wood	5,332,283
Lake	9,356,761	Wyandot	<u>906,715</u>
Lawrence	2,474,755		
Licking	5,327,504	Total	\$491,000,264

\* Amounts shown are the actual distributions made to counties in CY 2000, including any statutory adjustments for 1999 made in the first half of 2000.