

T

he 115th General Assembly, in House Bill 291, created the Library and Local Government Support Fund (LLGSF) in 1982 to replace the locally-collected intangible property tax, which was repealed in Calendar Year 1986.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 for libraries and local governments that 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. A distribution formula was incorporated in H.B. 146 and became law on July 12, 1985.

In 2001, \$496.5 million was distributed from the fund. This represents a one-percent increase over the prior year. Nearly all the money in the LLGSF is distributed to libraries; however, six counties provided local governments with some money from this fund.

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 months of the July 2000 through June 2001 period. However, each county's monthly distribution is 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 March 2002, July 2002, March 2003 and July 2003 could also be reduced as a result of H.B. 405 adjustments.

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

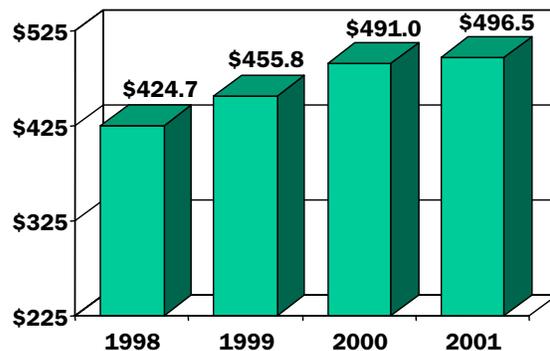
According to permanent law, the LLGSF receives 5.7 percent of the Individual Income tax collections. However, the LLGSF funding levels will be reduced according to uncodified Section 70 of H.B. 94. That section requires \$6,361,095 to be transferred from the LLGSF to the OPLIN Technology Fund in state 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 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 1998-2001**



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.

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 June 2002 and June 2003 the fund will receive the same amount it received in June 2000, less any H.B. 405 adjustments.

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 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 fifteenth 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 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 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 2001, which totaled \$496.5 million.

RECENT LEGISLATION:

House Bill 405; Effective December 31, 2001, Section 140 and House Bill 390; Effective March 4, 2002, Section 140

– Allows 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 would be reduced by a pro rata share of the amount credited to the General Revenue Fund from the LLGSF.

House Bill 94; Effective September 6, 2001, Section 140

– Temporarily replaces 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 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 received during the July 2000 - June 2001 “base year” period.

Uncodified Section 70 – Transfers are to be made from the LLGSF 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 1
Library and Local Government Support Fund, Total Amounts Distributed to Counties, Calendar Years 1987-2001**

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

(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.

**Table 2
Library and Local Government Support
Fund – Amounts Distributed to Counties,*
Calendar Year 2001**

County	Amount	County	Amount
Adams	\$1,079,726	Logan	\$1,770,316
Allen	4,555,820	Lorain	11,182,641
Ashland	2,092,114	Lucas	20,232,255
Ashtabula	4,093,119	Madison	1,567,751
Athens	2,391,934	Mahoning	11,011,978
Auglaize	1,922,243	Marion	2,650,305
Belmont	2,929,830	Medina	5,383,658
Brown	1,514,076	Meigs	946,554
Butler	12,517,772	Mercer	1,653,710
Carroll	1,122,428	Miami	4,060,920
Champaign	1,467,085	Monroe	615,496
Clark	5,962,402	Montgomery	25,978,889
Clermont	6,482,972	Morgan	573,415
Clinton	1,574,676	Morrow	1,176,904
Columbiana	4,469,509	Muskingum	3,410,073
Coshocton	1,498,078	Noble	498,140
Crawford	1,980,938	Ottawa	1,697,307
Cuyahoga	70,796,752	Paulding	815,223
Darke	2,198,687	Perry	1,317,361
Defiance	1,613,527	Pickaway	2,007,359
Delaware	3,237,871	Pike	1,048,520
Erie	3,440,446	Portage	5,941,979
Fairfield	4,626,315	Preble	1,657,307
Fayette	1,137,235	Putnam	1,383,474
Franklin	44,957,002	Richland	5,449,018
Fulton	1,672,095	Ross	2,900,127
Gallia	1,284,306	Sandusky	2,544,955
Geauga	4,203,884	Scioto	3,250,048
Greene	5,820,899	Seneca	2,503,319
Guernsey	1,608,874	Shelby	1,929,679
Hamilton	52,470,185	Stark	16,183,410
Hancock	3,246,048	Summit	23,267,423
Hardin	1,256,705	Trumbull	9,399,815
Harrison	745,061	Tuscarawas	3,529,362
Henry	1,176,706	Union	1,454,571
Highland	1,529,550	Van Wert	1,237,879
Hocking	1,085,691	Vinton	469,889
Holmes	1,399,133	Warren	5,176,029
Huron	2,385,522	Washington	2,566,955
Jackson	1,295,007	Wayne	4,564,478
Jefferson	3,205,599	Williams	1,589,411
Knox	2,050,377	Wood	5,377,670
Lake	9,490,279	Wyandot	924,513
Lawrence	2,531,747		
Licking	5,438,031	Total	\$496,458,342

* Amounts shown are the actual distributions made to counties in CY 2001, including any statutory adjustments for 2000 made in the first half of 2001.