



Public Library Fund

The Public Library Fund, formerly known as the Library and Local Government Support Fund, was created by the General Assembly in 1985 as part of a broader effort to phase out the intangible personal property tax. The fund was designed to offset the loss of revenue from the intangibles tax, then a key source of revenue for local libraries, by directing a share of state income tax collections to a fund established in each county. In turn, county officials distribute the revenue from that county fund to libraries and local governments.

The name of the state fund was changed from the Library and Local Government Support Fund to the Public Library Fund effective June 20, 2008 by Senate Bill 185.

Since 1993, permanent law had called for the fund to receive a fixed 5.7 percent of income tax collections, distributed to counties according to a formula outlined in the Ohio Revised Code. But these provisions were set aside by the 124th, 125th and 126th general assemblies as part of a series of temporary local government fund "freezes." Accordingly, from mid-2001 through mid-2007, Public Library Fund revenue was distributed to counties based largely on the amount received during the previous year.

The fund was "thawed" and reorganized as part of House Bill 119 (127th General Assembly), the fiscal year 2008-09 state operating budget bill enacted in June 2007. Starting in January 2008, the Public Library Fund began receiving a fixed 2.22 percent of all General Revenue Fund tax collections, and distributions from the fund to counties returned to the old formula outlined in Ohio Revised Code 5747.46.

During the 2007 calendar year, counties received about \$458 million from the fund, roughly the same amount as during the previous year. In calendar year 2008, after implementation of House Bill 119, counties received \$450.6 million.

Revenue Source

(Ohio Revised Code 131.44, 5747.03)

From 1993 through mid-2007, permanent law called for the Public Library Fund to receive a fixed 5.7 percent of income

tax collections. But the two-year operating budgets enacted by the 124th, 125th and 126th general assemblies included "freezes" that called for specific dollar amounts to be transferred on a monthly basis from income tax collections to the fund.

House Bill 119, the fiscal year 2008-09 operating budget bill, extended this temporary freeze through December 2007 and enacted permanent changes to Ohio's revenue-sharing laws. Starting in January 2008, the Public Library Fund began receiving a fixed 2.22 percent of all General Revenue Fund tax collections each month. Half of this monthly amount is credited against the sales and use tax and half against the kilowatt-hour tax.

Distributions to Counties

(R.C. 5747.46)

The statutory Public Library Fund distribution formula consists of two parts: the guaranteed share and the share of the excess.

Guaranteed share – 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.

Share of the excess – When there is an amount in the Public Library Fund in excess of the sum of guaranteed shares for all counties, it is distributed among counties based on their equalization ratios. The equalization ratio (which is more fully described in R.C. 5747.46) is based on 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 excess to determine each county's share of the excess.

The ratio allows those counties that have had the lowest per capita Public Library Fund distributions in prior years to see the greatest per capita growth in funding, while assuring that all counties have relative growth.

Fund freeze – The statutory distribution formula outlined above was set aside by the 124th, 125th and 126th general assemblies as part of a series of temporary local government fund "freezes." From mid-2001 through mid-2007, revenue



was distributed to counties through the Public Library Fund based largely on the amount received during the previous year.

House Bill 119, the FY08-09 state operating budget bill, reactivated the statutory distribution formula starting in January 2008.

Monthly Distribution Procedure

(R.C. 5747.47, 5747.48)

The Department of Taxation determines the total amount available and the allocation to be made to each county's Public Library Fund. The distribution of revenue from each county's Public Library Fund is made by the county treasurer to the county boards, public library trustees, municipal corporations, and the boards of townships and park commissioners on or before the 15th day of each month.

Estimation of Entitlements

(R.C. 5747.47)

Permanent law calls for the Department of Taxation to certify, on three separate occasions, an estimate of the amount of revenue to which each county will be entitled from the state Public Library Fund. The first estimate is completed by July 20th of the year preceding distribution. The second estimate is certified in December of the year preceding distribution. The third is certified during June of the distribution year.

The formula for calculating entitlements is dynamic and the exact amount to which a county is entitled cannot be known for certain until the end of each distribution year, when the total amount of revenue into the fund is known. Accordingly, each December, the department 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 following year, each county's distribution is adjusted for any overpayment or underpayment received in the preceding year.

The entitlements described in this section were suspended as a result of the temporary "freezes" in effect from mid-2001 through 2007.

Use of Funds Distributed

(R.C. 3375.05, 3375.121, 3375.40, 3375.403, 3375.82, 3375.85, 5705.32)

County budget commissions (composed of a county commissioner, the county auditor, and the county treasurer) determine the amounts to be allocated to all libraries. The amount is given to each library based on its needs for building construction and improvement, operations, maintenance, and other expenses required by the library and its branches. By law, libraries collectively may never receive a smaller share of county Public Library Fund distributions than the average percentage of the county's intangible property taxes that were distributed to all libraries in 1982, 1983, and 1984.

After fixing the amount to be distributed to libraries within the county, the county budget commission fixes an amount to distribute to municipal corporations in the county. By law, each municipal corporation receives a percentage of the remainder equal to the percentage share of all classified, or intangible, property taxes originating from that municipality in 1984.

Generally speaking, the vast majority of revenue distributed from the Public Library Fund is provided to libraries, with the remainder provided to other local governments in a few counties.

Recent Legislation

Senate Bill 185, 127th General Assembly (effective June 20, 2008).

This bill changed the name of the Library and Local Government Support Fund to the Public Library Fund.

House Bill 119, 127th General Assembly (FY 2008-2009 operating budget bill, effective June 30, 2007).

The bill maintained the freeze on the Public Library Fund – then known as the Library and Local Government Support Fund – through calendar year 2007. Beginning in January 2008, the system of calculating county entitlements reverted to "pre-freeze" mechanisms. Also, in January 2008, the fund began receiving 2.22 percent of all General Revenue Fund tax sources (R.C. 131.51, 5747.03, 5747.46 – 5747.48, 5747.50 – 5747.53 and bill sections 757.03, 757.04, 815.09).

Table 1

Library & Local Government Support Fund/Public Library Fund Total Amounts Distributed to Counties: Calendar Years 1986 - 2008				
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	—	262,655,557	4.5
1991	268,793,142	—	268,793,142	2.3
1992 ¹	268,793,142	—	268,793,142	0.0
1993 ²	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 ³	—	—	496,458,342	1.1
2002 ⁴	—	—	457,671,290	-7.8
2003 ⁵	—	—	452,648,009	-1.1
2004 ⁶	—	—	455,470,323	0.6
2005 ⁷	—	—	457,970,324	0.5
2006 ⁷	—	—	457,970,324	—
2007 ⁷	—	—	457,970,324	—
2008 ⁸	450,578,991	—	450,578,991	-1.67

1 Distributions during calendar year 1992 were capped at the 1991 dollar level.

2 Total calendar year 1993 distributions were guaranteed to equal at least \$284.7 million.

3 Beginning in July 2001, distributions were "frozen" at the amount received during July 2000-December 2000. Figure shown is after transfers to OPLIN Technology Fund.

4 Distributions during calendar year 2002 were "frozen" based upon the amounts distributed during July 2000-June 2001. Figure shown is after monthly transfers to OPLIN Technology Fund and after March 2002 and July 2002 reconciliation adjustments pursuant to H.B. 405.

5 Distributions during calendar year 2003 were "frozen" based upon the amounts distributed during July 2000-June 2001. Figure shown is after monthly transfers to OPLIN Technology Fund, the July 2003 reconciliation adjustment pursuant to H.B. 405, and the \$9.7 million reduction in July 2003 as required by H.B. 40.

6 Distributions during calendar year 2004 were "frozen" based on the amounts distributed during calendar year 2003. Figure shown is after transfers to OPLIN Technology Fund.

7 Distributions during calendar years 2005-2007 were frozen based on amounts distributed during calendar year 2004. Transfers to OPLIN no longer are applied.

8 Distributions during calendar year 2008 returned to the statutory pre-"freeze" methodology.

Table 2

Library and Local Government Support Fund: Amounts Distributed To Counties, Calendar Years 2006 and 2007					
<p>This table shows the amounts that counties received from this fund each calendar year for both 2006 and 2007. The amounts distributed each year were identical because of the continuation of the freeze on local government funds that kept fund distributions for the years 2005-2007 at the levels of 2004.</p> <p>Effective June 20, 2008, the Library and Local Government Support Fund changed to the Public Library Fund.</p>					
County	Amount	County	Amount	County	Amount
ADAMS	\$997,465	HAMILTON	\$48,307,419	NOBLE	\$459,882
ALLEN	4,203,625	HANCOCK	2,992,729	OTTAWA	1,566,473
ASHLAND	1,931,472	HARDIN	1,160,343	PAULDING	752,525
ASHTABULA	3,779,255	HARRISON	687,000	PERRY	1,216,753
ATHENS	2,208,956	HENRY	1,086,561	PICKAWAY	1,854,662
AUGLAIZE	1,774,316	HIGHLAND	1,412,969	PIKE	968,644
BELMONT	2,703,450	HOCKING	1,003,084	PORTAGE	5,486,832
BROWN	1,399,027	HOLMES	1,292,876	PREBLE	1,530,776
BUTLER	11,563,689	HURON	2,202,634	PUTNAM	1,277,519
CARROLL	1,036,661	JACKSON	1,195,660	RICHLAND	5,027,521
CHAMPAIGN	1,355,045	JEFFERSON	2,957,495	ROSS	2,678,640
CLARK	5,503,281	KNOX	1,893,770	SANDUSKY	2,349,049
CLERMONT	5,990,898	LAKE	8,756,859	SCIOTO	3,000,202
CLINTON	1,454,027	LAWRENCE	2,337,815	SENECA	2,310,224
COLUMBIANA	4,126,295	LICKING	5,020,901	SHELBY	1,781,248
COSHOCTON	1,382,578	LOGAN	1,635,173	STARK	14,929,793
CRAWFORD	1,828,017	LORAIN	10,325,117	SUMMIT	21,465,491
CUYAHOGA	65,236,963	LUCAS	18,659,143	TRUMBULL	8,674,553
DARKE	2,029,596	MADISON	1,448,332	TUSCARAWAS	3,258,552
DEFIANCE	1,489,460	MAHONING	10,159,363	UNION	1,344,179
DELAWARE	2,994,181	MARION	2,446,308	VAN WERT	1,142,568
ERIE	3,173,589	MEDINA	4,974,140	VINTON	433,976
FAIRFIELD	4,274,505	MEIGS	874,017	WARREN	4,785,688
FAYETTE	1,049,951	MERCER	1,526,696	WASHINGTON	2,369,599
FRANKLIN	41,469,480	MIAMI	3,747,921	WAYNE	4,212,601
FULTON	1,543,765	MONROE	568,233	WILLIAMS	1,466,754
GALLIA	1,186,218	MONTGOMERY	23,953,605	WOOD	4,959,641
GEAUGA	3,875,676	MORGAN	529,470	WYANDOT	853,431
GREENE	5,374,459	MORROW	1,087,373		
GUERNSEY	1,485,654	MUSKINGUM	3,147,987	TOTAL	\$457,970,324

Table 3

Public Library Fund:					
Amounts Distributed To Counties, Calendar Year 2008					
<p>This table shows the amounts that counties received from this fund during calendar year 2008. These distributions were based on the pre-freeze statutory formula.</p> <p>Effective June 20, 2008, the Library and Local Government Support Fund changed to the Public Library Fund.</p>					
County	Amount	County	Amount	County	Amount
ADAMS	\$981,366	HAMILTON	\$47,527,770	NOBLE	\$452,460
ALLEN	4,135,781	HANCOCK	2,944,429	OTTAWA	1,541,191
ASHLAND	1,900,300	HARDIN	1,141,615	PAULDING	740,380
ASHTABULA	3,718,260	HARRISON	675,912	PERRY	1,197,116
ATHENS	2,173,305	HENRY	1,069,025	PICKAWAY	1,824,729
AUGLAIZE	1,745,680	HIGHLAND	1,390,165	PIKE	953,010
BELMONT	2,659,818	HOCKING	986,895	PORTAGE	5,398,278
BROWN	1,376,447	HOLMES	1,272,010	PREBLE	1,506,070
BUTLER	11,377,059	HURON	2,167,085	PUTNAM	1,256,901
CARROLL	1,019,930	JACKSON	1,176,363	RICHLAND	4,946,380
CHAMPAIGN	1,333,176	JEFFERSON	2,909,763	ROSS	2,635,408
CLARK	5,414,462	KNOX	1,863,206	SANDUSKY	2,311,137
CLERMONT	5,894,210	LAKE	8,615,529	SCIOTO	2,951,781
CLINTON	1,430,560	LAWRENCE	2,300,084	SENECA	2,272,938
COLUMBIANA	4,059,700	LICKING	4,939,867	SHELBY	1,752,499
COSHOCTON	1,360,264	LOGAN	1,608,782	STARK	14,688,836
CRAWFORD	1,798,514	LORAIN	10,158,477	SUMMIT	21,119,053
CUYAHOGA	64,184,082	LUCAS	18,357,997	TRUMBULL	8,534,552
DARKE	1,996,840	MADISON	1,424,958	TUSCARAWAS	3,205,961
DEFIANCE	1,465,422	MAHONING	9,995,398	UNION	1,322,485
DELAWARE	2,945,857	MARION	2,406,827	VAN WERT	1,124,128
ERIE	3,122,370	MEDINA	4,893,860	VINTON	426,972
FAIRFIELD	4,205,518	MEIGS	859,911	WARREN	4,708,450
FAYETTE	1,033,006	MERCER	1,502,056	WASHINGTON	2,331,355
FRANKLIN	40,800,191	MIAMI	3,687,433	WAYNE	4,144,613
FULTON	1,518,849	MONROE	559,062	WILLIAMS	1,443,082
GALLIA	1,167,073	MONTGOMERY	23,567,010	WOOD	4,879,596
GEAUGA	3,813,125	MORGAN	520,925	WYANDOT	839,657
GREENE	5,287,719	MORROW	1,069,824		
GUERNSEY	1,461,677	MUSKINGUM	3,097,181	TOTAL	\$450,578,991