



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 reorganized as part of House Bill 119, enacted in June 2007 by the 127th General Assembly. Starting in January 2008, the Public Library Fund began receiving a fixed 2.22 percent of all General Revenue Fund (GRF) tax collections. Distributions from the fund to counties returned to the old formula outlined in R.C. 5747.46.

In 2009, the 128th General Assembly enacted House Bill 1, temporarily reducing the fixed percentage of GRF tax collections that are to be deposited into the fund. From Aug. 1, 2009 through June 30, 2011, this percentage will be 1.97 percent.

During the 2009 calendar year, counties received about \$370.4 million from the Public Library Fund.

Revenue Source

(Ohio Revised Code 131.44, 5747.03)

In January 2008, following a series of fund "freezes," 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.

House Bill 1 of the 128th General Assembly temporarily reduced the fixed percentage of GRF tax collections that are to be deposited into the fund. This percentage was reduced



to 1.97 percent for the period of Aug. 1, 2009 – June 30, 2011.

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.

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.

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

House Bill 1, 128th General Assembly (Fiscal Year 2010-2011 biennial budget bill; budget provisions effective July 17, 2009; other provisions effective on Oct. 17, 2009 or on other dates)

Reduction of revenue percentage –The bill temporarily reduced the percentage of all GRF revenues credited to the fund from 2.22 percent to 1.97 percent for the period of Aug. 1, 2009 – June 30, 2011.

Information network transfer –The bill provides for a transfer of \$3,702,150 from the Public Library Fund to the Ohio Public Library Information Network (OPLIN) for FY 2010 and FY 2011.

Fund for the blind transfer –The bill provides for a transfer of \$1,274,194 from the Public Library Fund to the Library for the Blind Fund for FY 2010 and FY 2011.

Transfer from GRF –The bill provides that a transfer of \$5 million will be made from the GRF to the Public Library Fund on July 1 of both FY 2010 and FY 2011, or as soon as possible thereafter.

Table 1

Library & Local Government Support Fund/Public Library Fund				
Total Amounts Distributed to Counties:				
Calendar Years 1986 - 2009				
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
2009 ⁹	370,367,615	–	370,367,615	-17.8%

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 adjustments 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 and subsequent years returned to the statutory pre-“freeze” methodology.

9 Amount of GRF tax revenue deposited into fund is reduced from 2.22 percent to 1.97 percent from Aug. 1, 2009 - June 30, 2011.

Table 2

**Library and Local Government Support Fund:
Amounts Distributed To Counties, Calendar Year 2009**

This table shows the amounts that counties received from this fund during calendar year 2009.
These distributions were based on the pre-freeze statutory formula.

County	Amount	County	Amount	County	Amount
ADAMS	\$806,665	HAMILTON	\$39,066,949	NOBLE	\$371,914
ALLEN	3,399,536	HANCOCK	2,420,266	OTTAWA	1,266,831
ASHLAND	1,562,011	HARDIN	938,387	PAULDING	608,578
ASHTABULA	3,056,342	HARRISON	555,587	PERRY	984,007
ATHENS	1,786,417	HENRY	878,719	PICKAWAY	1,499,894
AUGLAIZE	1,434,917	HIGHLAND	1,142,690	PIKE	783,357
BELMONT	2,186,322	HOCKING	811,209	PORTAGE	4,437,285
BROWN	1,131,415	HOLMES	1,045,569	PREBLE	1,237,961
BUTLER	9,351,733	HURON	1,781,303	PUTNAM	1,033,149
CARROLL	838,364	JACKSON	966,949	RICHLAND	4,065,833
CHAMPAIGN	1,095,846	JEFFERSON	2,391,772	ROSS	2,166,257
CLARK	4,450,587	KNOX	1,531,521	SANDUSKY	1,899,712
CLERMONT	4,844,932	LAKE	7,081,806	SCIOTO	2,426,309
CLINTON	1,175,894	LAWRENCE	1,890,627	SENECA	1,868,313
COLUMBIANA	3,336,998	LICKING	4,060,479	SHELBY	1,440,522
COSHOCTON	1,118,112	LOGAN	1,322,389	STARK	12,073,952
CRAWFORD	1,478,346	LORAIN	8,350,080	SUMMIT	17,359,471
CUYAHOGA	52,758,131	LUCAS	15,089,935	TRUMBULL	7,015,244
DARKE	1,641,366	MADISON	1,171,289	TUSCARAWAS	2,635,241
DEFIANCE	1,204,550	MAHONING	8,216,032	UNION	1,087,059
DELAWARE	2,421,440	MARION	1,978,367	VAN WERT	924,012
ERIE	2,566,530	MEDINA	4,022,663	VINTON	350,963
FAIRFIELD	3,456,858	MEIGS	706,831	WARREN	3,870,259
FAYETTE	849,111	MERCER	1,234,662	WASHINGTON	1,916,331
FRANKLIN	33,537,003	MIAMI	3,031,002	WAYNE	3,406,795
FULTON	1,248,466	MONROE	459,539	WILLIAMS	1,186,186
GALLIA	959,313	MONTGOMERY	19,371,647	WOOD	4,010,938
GEAUGA	3,134,319	MORGAN	428,190	WYANDOT	690,183
GREENE	4,346,407	MORROW	879,375		
GUERNSEY	1,201,471	MUSKINGUM	2,545,825	TOTAL	\$370,367,615

Ohio

Part IV: Other Resources

