

I\_132\_1739-4

132nd General Assembly  
Regular Session  
2017-2018

Sub. H. B. No. 415

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**A BILL**

To amend sections 131.44 and 131.51 and to enact  
section 131.52 of the Revised Code to allocate  
one-half of any surplus revenue to a new Local  
Government Road Improvement Fund, from which  
money will be distributed to local governments  
to fund road improvements.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 131.44 and 131.51 be amended and  
section 131.52 of the Revised Code be enacted to read as  
follows:

**Sec. 131.44.** (A) As used in this section:

(1) "Surplus revenue" means the excess, if any, of the  
total fund balance over the required year-end balance.

(2) "Total fund balance" means the sum of the unencumbered  
balance in the general revenue fund on the last day of the  
preceding fiscal year plus the balance in the budget  
stabilization fund.



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(3) "Required year-end balance" means the sum of the	17
following:	18
(a) Eight and one-half per cent of the general revenue	19
fund revenues for the preceding fiscal year;	20
(b) "Ending fund balance," which means one-half of one per	21
cent of general revenue fund revenues for the preceding fiscal	22
year;	23
(c) "Carryover balance," which means, with respect to a	24
fiscal biennium, the excess, if any, of the estimated general	25
revenue fund appropriation and transfer requirement for the	26
second fiscal year of the biennium over the estimated general	27
revenue fund revenue for that fiscal year;	28
(d) "Capital appropriation reserve," which means the	29
amount, if any, of general revenue fund capital appropriations	30
made for the current biennium that the director of budget and	31
management has determined will be encumbered or disbursed;	32
(e) "Income tax reduction impact reserve," which means an	33
amount equal to the reduction projected by the director of	34
budget and management in income tax revenue in the current	35
fiscal year attributable to the previous reduction in the income	36
tax rate made by the tax commissioner pursuant to division (B)	37
of section 5747.02 of the Revised Code.	38
(4) "Estimated general revenue fund appropriation and	39
transfer requirement" means the most recent adjusted	40
appropriations made by the general assembly from the general	41
revenue fund and includes both of the following:	42
(a) Appropriations made and transfers of appropriations	43
from the first fiscal year to the second fiscal year of the	44
biennium in provisions of acts of the general assembly signed by	45

the governor but not yet effective; 46

(b) Transfers of appropriations from the first fiscal year 47  
to the second fiscal year of the biennium approved by the 48  
controlling board. 49

(5) "Estimated general revenue fund revenue" means the 50  
most recent such estimate available to the director of budget 51  
and management. 52

(B) (1) Not later than the thirty-first day of July each 53  
year, the director of budget and management shall determine the 54  
surplus revenue that existed on the preceding thirtieth day of 55  
June and transfer from the general revenue fund, to the extent 56  
of the unobligated, unencumbered balance on the preceding 57  
thirtieth day of June in excess of one-half of one per cent of 58  
the general revenue fund revenues in the preceding fiscal year, 59  
the following: 60

(a) First, to the budget stabilization fund, any amount 61  
required to be allocated to that fund under division (B) (3) of 62  
this section; 63

(b) Second, to the local government road improvement fund, 64  
fifty per cent of the remaining surplus revenue; 65

(c) Third, to the budget stabilization fund, any amount 66  
necessary for the balance of the budget stabilization fund to 67  
equal eight and one-half per cent of the general revenue fund 68  
revenues of the preceding fiscal year; 69

~~(b) Then~~ (d) Fourth, to the income tax reduction fund, 70  
which is hereby created in the state treasury, an amount equal 71  
to the remaining surplus revenue. 72

(2) Not later than the thirty-first day of July each year, 73

the director shall determine the percentage that the balance in 74  
the income tax reduction fund is of the amount of revenue that 75  
the director estimates will be received from the tax levied 76  
under section 5747.02 of the Revised Code in the current fiscal 77  
year without regard to any reduction under division (B) of that 78  
section. If that percentage exceeds thirty-five one hundredths 79  
of one per cent, the director shall certify the percentage to 80  
the tax commissioner not later than the thirty-first day of 81  
July. 82

(3) If the balance of the budget stabilization fund 83  
decreased by ten per cent or more between the first day of 84  
August and the last day of June of the preceding fiscal year, 85  
and if an allocation is not already required to be made to that 86  
fund pursuant to division (B) (3) of this section from a prior 87  
year, any surplus revenue available to be transferred under this 88  
section in the current fiscal year and in ensuing fiscal years 89  
shall be transferred to the budget stabilization fund until the 90  
balance of that fund is equal to the lesser of the balance of 91  
the fund on the first day of August of the fiscal year in which 92  
the decrease occurred or eight and one-half per cent of the 93  
general revenue fund revenues of the preceding fiscal year. 94

(C) The director of budget and management shall transfer 95  
money in the income tax reduction fund to the general revenue 96  
fund, the local government fund, and the public library fund as 97  
necessary to offset revenue reductions resulting from the 98  
reductions in taxes required under division (B) of section 99  
5747.02 of the Revised Code in the respective amounts and 100  
percentages prescribed by division (A) of section 5747.03 and 101  
divisions (A) and (B) of section 131.51 of the Revised Code as 102  
if the amount transferred had been collected as taxes under 103  
Chapter 5747. of the Revised Code. If no reductions in taxes are 104

made under that division that affect revenue received in the 105  
current fiscal year, the director shall not transfer money from 106  
the income tax reduction fund to the general revenue fund, the 107  
local government fund, and the public library fund. 108

**Sec. 131.51.** (A) On or before the seventh day of each 109  
month, the director of budget and management shall credit to the 110  
local government fund one and sixty-six one-hundredths per cent 111  
of the total tax revenue credited to the general revenue fund 112  
during the preceding month. In determining the total tax revenue 113  
credited to the general revenue fund during the preceding month, 114  
the director shall include amounts transferred from the fund 115  
during the preceding month under this division and division (B) 116  
of this section. Money shall be distributed from the local 117  
government fund as required under sections 5747.50 and 5747.503 118  
of the Revised Code during the same month in which it is 119  
credited to the fund. 120

(B) On or before the seventh day of each month, the 121  
director of budget and management shall credit to the public 122  
library fund one and sixty-six one-hundredths per cent of the 123  
total tax revenue credited to the general revenue fund during 124  
the preceding month. In determining the total tax revenue 125  
credited to the general revenue fund during the preceding month, 126  
the director shall include amounts transferred from the fund 127  
during the preceding month under this division and division (A) 128  
of this section. Money shall be distributed from the public 129  
library fund as required under section 5747.47 of the Revised 130  
Code during the same month in which it is credited to the fund. 131

(C) The director of budget and management shall develop a 132  
schedule identifying the specific tax revenue sources to be used 133  
to make the monthly transfers required under divisions (A) and 134

(B) of this section. The director may, from time to time, revise 135  
the schedule as the director considers necessary. 136

(D) No act of the general assembly shall reduce the amount 137  
to be credited to the local government fund each month to an 138  
amount that is less than one and sixty-six one-hundredths of one 139  
per cent of the total tax revenue credited to the general 140  
revenue fund during the preceding month. 141

**Sec. 131.52.** (A) There is hereby created in the state 142  
treasury the local government road improvement fund. The fund 143  
shall consist of money transferred to it pursuant to section 144  
131.44 of the Revised Code and of any other amounts appropriated 145  
to it. 146

(B) Not later than the last day of any July in which a 147  
transfer of money is made to the local government road 148  
improvement fund under section 131.44 of the Revised Code, the 149  
director of budget and management shall do both of the 150  
following: 151

(1) Compute the product of the following amounts for each 152  
political subdivision: 153

(a) The balance of the local government road improvement 154  
fund; 155

(b) A fraction, the numerator of which is the number of 156  
centerline miles of roadways maintained by that political 157  
subdivision and the denominator of which is the total number of 158  
centerline miles of roadways in the state maintained by a 159  
political subdivision. 160

(2) Certify the amount computed for each political 161  
subdivision to the county auditor of the county in which the 162  
political subdivision is located. If a political subdivision is 163

located in more than one county, the director shall certify the 164  
amount to the county auditor of the county in which a majority 165  
of the subdivision's centerline miles is located. 166

For the purpose of the computation under division (B) of 167  
this section, the number of centerline miles maintained by each 168  
political subdivision shall be based on the number of such miles 169  
according to the records of the department of transportation. 170  
The director of transportation shall provide such information to 171  
the director of budget and management upon request. 172

(C) Not later than the last day of August following the 173  
director's certification under division (B) of this section, the 174  
director of budget and management shall distribute to each 175  
county treasury the total of the amounts certified for political 176  
subdivisions in that county to the credit of the undivided local 177  
government road improvement fund, which shall be created in each 178  
county treasury. Not later than the last day of September, the 179  
county auditor shall issue warrants against the undivided local 180  
government road improvement fund in the amounts to be paid to 181  
political subdivisions pursuant to the director's certification 182  
under division (B)(2) of this section, and the county treasurer 183  
shall pay such amounts to those political subdivisions. 184

(D) Amounts distributed to a political subdivision under 185  
this section shall be used solely for road improvements. A 186  
political subdivision may use the funds distributed to it in the 187  
year in which the distribution is received or in any succeeding 188  
year. 189

(E) As used in this section, "political subdivision" means 190  
a county, township, or municipal corporation. 191

**Section 2.** That existing sections 131.44 and 131.51 of the 192

Revised Code are hereby repealed.	193
<b>Section 3.</b> The amendment or enactment by this act of	194
sections 131.44, 131.51, and 131.52 of the Revised Code applies	195
on and after July 1, 2019.	196