A BILL

To amend sections 5747.50, 5747.51, and 5747.53 and to enact sections 9.662, 743.80, and 5747.504 of the Revised Code to create a process for withholding local government funds and state water and sewer assistance from municipal corporations that engage in certain water and sewer practices with respect to extraterritorial service.

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

Section 1. That sections 5747.50, 5747.51, and 5747.53 be amended and sections 9.662, 743.80, and 5747.504 of the Revised Code be enacted to read as follows:

Sec. 9.662. Upon receipt of a certification from the tax commissioner under division (A)(1) of section 5747.504 of the Revised Code, the director of environmental protection, the director of the Ohio public works commission, the Ohio water development authority, and the director of development services may not award any loan, grant, or other form of financial assistance to the noncompliant municipal corporation identified.
in the certification for the purpose of improving that municipal
corporation's water or sewerage system, except for awards of
federal funds required by federal law or guidelines to be
awarded to the municipal corporation for that purpose.

Upon receipt of a certification from the tax commissioner
under division (C)(1) of section 5747.504 of the Revised Code,
the director of environmental protection, the director of the
Ohio public works commission, the Ohio water development
authority, and the director of development services shall cease
enforcing this prohibition against that municipal corporation.

Sec. 743.80. (A) As used in this section, "customer class"
means ratepayers for property that is of the same use or nature,
such as residential property or commercial property.

(B) A township or municipal corporation may file a civil
action to declare as a noncompliant municipal corporation a
municipal corporation that provides water or sewer service to
property located in that township or municipal corporation and
to declare the township or municipal corporation filing the
action, or any township or municipal corporation made a party to
the action under this division, as an affected subdivision. The
action must be filed in the court of common pleas in any county
that includes territory of the alleged noncompliant municipal
corporation. The alleged noncompliant municipal corporation
shall be made the defendant in the action. Upon the filing of
such an action, each other township or municipal corporation
with property that is provided water or sewer service from the
defendant municipal corporation shall be served with a copy of
the complaint and, upon filing a request with the court, shall
be made a party to the action.

(C) The court shall declare the defendant municipal
corporation to be a noncompliant municipal corporation if the court determines that any other subdivision that is a party to the action establishes, by a preponderance of the evidence, that the defendant municipal corporation engages in either of the following practices:

(1) Charging a customer class for property located in the other subdivision higher rates for water or sewer services than for the same customer class for property located in the defendant municipal corporation, unless the defendant municipal corporation establishes, by a preponderance of the evidence, that those higher rates are calculated pursuant to generally accepted industry practices consistent with the methodology in industry guidance applicable to municipal-owned sewer and water systems.

(2) Requiring, as a condition of providing water or sewer services to property located within the subdivision, that the subdivision provide direct payments to the defendant municipal corporation, unless the defendant municipal corporation establishes, by a preponderance of the evidence, that those direct payments are reasonably related to the cost of providing water or sewer services to property within the territory of that subdivision.

(D) If the court declares a municipal corporation to be a noncompliant municipal corporation, the court shall also declare which of the townships or municipal corporations that are a party to the action qualify as an affected subdivision. The court shall declare a township or municipal corporation to be an affected subdivision if the court finds that the township or municipal corporation is either required to make a direct payment described in division (C)(2) of this section or has
property within its territory, the ratepayer for which is subject to the higher rates described in division (C)(1) of this section. Any party to the action that is not a prevailing party may appeal the action.

(E) Not later than one hundred eighty days after the date the time to appeal the declaration described in division (C) of this section has elapsed, any township or municipal corporation declared to be an affected subdivision in that declaration may certify a copy of the court's declaration to the tax commissioner, who shall proceed as provided in section 5747.504 of the Revised Code.

(F) A municipal corporation that a court has declared to be a noncompliant municipal corporation under division (C) of this section may file a civil action to declare that the municipal corporation no longer qualifies as a noncompliant municipal corporation in the same court of common pleas that made the original declaration. Upon the filing of such an action, each township or municipal corporation declared by the court under division (D) of this section to be an affected subdivision shall be made a defendant to the action.

The court shall declare that the noncompliant municipal corporation no longer qualifies as a noncompliant municipal corporation if the municipal corporation establishes, by a preponderance of the evidence, that the municipal corporation does not engage in either of the practices described in divisions (C)(1) and (2) of this section in relation to each affected subdivision.

Any party to the action that is not a prevailing party may appeal the action. A declaration by a court under division (F) of this section shall supersede any prior declaration issued.
under division (C) of this section with respect to the 
noncompliant municipal corporation. If a court declares that the 
municipal corporation no longer qualifies as a noncompliant 
municipal corporation, not later than one hundred eighty days 
after the date the time to appeal the declaration described in 
division (F) of this section has elapsed, the municipal 
corporation that filed the action may certify the court's 
decision to the tax commissioner, who shall proceed as provided 
in section 5747.504 of the Revised Code.

Sec. 5747.50. (A) As used in this section:

(1) "County's proportionate share of the calendar year 
2007 LGF and LGRAF distributions" means the percentage computed 
for the county under division (B)(1)(a) of section 5747.501 of 
the Revised Code.

(2) "County's proportionate share of the total amount of 
the local government fund additional revenue formula" means each 
county's proportionate share of the state's population as 
determined for and certified to the county for distributions to 
be made during the current calendar year under division (B)(2) 
(a) of section 5747.501 of the Revised Code. If prior to the 
first day of January of the current calendar year the federal 
government has issued a revision to the population figures 
reflected in the estimate produced pursuant to division (B)(2) 
(a) of section 5747.501 of the Revised Code, such revised 
population figures shall be used for making the distributions 
during the current calendar year.

(3) "2007 LGF and LGRAF county distribution base available 
in that month" means the lesser of the amounts described in 
division (A)(3)(a) and (b) of this section, provided that the 
amount shall not be less than zero:
(a) The total amount available for distribution to counties from the local government fund during the current month.

(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund to counties in calendar year 2007 less the total amount distributed to counties under division (B)(1) of this section during previous months of the current calendar year.

(4) "Local government fund additional revenue distribution base available during that month" means the total amount available for distribution to counties during the month from the local government fund, less any amounts to be distributed in that month from the local government fund under division (B)(1) of this section, provided that the local government fund additional revenue distribution base available during that month shall not be less than zero.

(5) "Total amount available for distribution to counties" means the total amount available for distribution from the local government fund during the current month less the total amount available for distribution to municipal corporations during the current month under division (C) of this section.

(B) On or before the tenth day of each month, the tax commissioner shall provide for payment to each county an amount equal to the sum of:

(1) The county's proportionate share of the calendar year 2007 LGF and LGRAF distributions multiplied by the 2007 LGF and LGRAF county distribution base available in that month, provided that if the 2007 LGF and LGRAF county distribution base available in that month is zero, no payment shall be made under...
(2) The county's proportionate share of the total amount of the local government fund additional revenue formula multiplied by the local government fund additional revenue distribution base available during that month.

Money received into the treasury of a county under this division shall be credited to the undivided local government fund in the treasury of the county on or before the fifteenth day of each month. On or before the twentieth day of each month, the county auditor shall issue warrants against all of the undivided local government fund in the county treasury in the respective amounts allowed as provided in section 5747.51 of the Revised Code, and the treasurer shall distribute and pay such sums to the subdivision therein.

(C)(1) As used in division (C) of this section:

(a) "Total amount available for distribution to municipalities during the current month" means the difference obtained by subtracting one million dollars from the product obtained by multiplying the total amount available for distribution from the local government fund during the current month by the aggregate municipal share.

(b) "Aggregate municipal share" means the quotient obtained by dividing the total amount distributed directly from the local government fund to municipal corporations during calendar year 2007 by the total distributions from the local government fund and local government revenue assistance fund during calendar year 2007.

(2) On or before the tenth day of each month, the tax
The commissioner shall provide for payment from the local government fund to each municipal corporation an amount equal to the product derived by multiplying the municipal corporation's percentage of the total amount distributed to all such municipal corporations under this division during calendar year 2007 by the total amount available for distribution to municipal corporations during the current month.

(3) Payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose.

(4) The amount distributed to municipal corporations under this division during any calendar year shall not exceed the amount distributed directly from the local government fund to municipal corporations during calendar year 2007. If that maximum amount is reached during any month, distributions to municipal corporations in that month shall be as provided in divisions (C)(1) and (2) of this section, but no further distributions shall be made to municipal corporations under division (C) of this section during the remainder of the calendar year.

(5) Upon being informed of a municipal corporation's dissolution, the tax commissioner shall cease providing for payments to that municipal corporation under division (C) of this section. The proportionate shares of the total amount available for distribution to each of the remaining municipal corporations under this division shall be increased on a pro rata basis.

The tax commissioner shall reduce or cease payments under division (C) of this section to municipal corporations for which a reduction or cessation of payments are required under
section 5747.502 or 5747.504 of the Revised Code.

(D) Each municipal corporation which has in effect a tax imposed under Chapter 718. of the Revised Code shall, no later than the thirty-first day of August of each year, certify to the tax commissioner, on a form prescribed by the commissioner, the amount of income tax revenue collected and refunded by such municipal corporation pursuant to such chapter during the preceding calendar year, arranged, when possible, by the type of income from which the revenue was collected or the refund was issued. The municipal corporation shall also report the amount of income tax revenue collected and refunded on behalf of a joint economic development district or a joint economic development zone that levies an income tax administered by the municipal corporation and the amount of such revenue distributed to contracting parties during the preceding calendar year. The tax commissioner may withhold payment of local government fund moneys pursuant to division (C) of this section from any municipal corporation for failure to comply with this reporting requirement.

(E)(1) For the purposes of division (E) of this section:

(a) "Eligible taxing district" means a township, township fire district, or joint fire district for which the total taxable value of eligible power plants for tax year 2017 is at least thirty per cent less than the total taxable value of eligible power plants for tax year 2016.

(b) "Eligible power plant" means a power plant that is subject to the requirements of 10 C.F.R. part 73.

(c) "Total taxable value of eligible power plants" of an eligible taxing district means the total taxable value of the
taxable property of eligible power plants apportioned to the
district as shown in a preliminary assessment or amended
preliminary assessment and listed on the tax list of real and
public utility property.

(d) "Taxable property" has the same meaning as in section
5727.01 of the Revised Code.

(e) "Tax rate" of an eligible taxing district means one of
the following:

(i) For townships, the sum of the rates of levies imposed
under section 505.39, 505.51, or division (I), (J), (U), or (JJ)
of section 5705.19 of the Revised Code and extended on the tax
list of real and public utility property for tax year 2017,
excluding any levy imposed at whatever rate is required to raise
a fixed sum of money;

(ii) For township fire districts and joint fire districts,
the sum of the rates of levies extended on the tax list of real
and public utility property for tax year 2017, excluding any
levy imposed at whatever rate is required to raise a fixed sum
of money.

(2) Each fiscal year from fiscal year 2018 through fiscal
year 2028, the tax commissioner shall compute the following
amount for each eligible taxing district:

(a) For fiscal years 2018 and 2019, the amount obtained by
multiplying the eligible taxing district's tax rate by the
difference obtained by subtracting (i) the total taxable value
of eligible power plants of the district for tax year 2017 from
(ii) the total taxable value of eligible power plants of the
district for tax year 2016;

(b) For fiscal years 2020 through 2028, ninety per cent of
the amount calculated for the district under division (E)(2)(a) or (b) of this section for the preceding fiscal year.

The commissioner shall certify the sum of the amounts calculated for all eligible taxing districts under this division for a fiscal year to the director of budget and management who, on or before the seventh day of each month of that fiscal year, shall transfer from the general revenue fund to the local government fund one-twelfth of the amount certified.

(3) On or before the tenth day of each month, the tax commissioner shall provide for payment to each county treasury in which an eligible taxing district is located an amount equal to one-twelfth of the amount computed for the district for that fiscal year under division (E)(2) of this section.

Money received into the treasury of a county under division (E) of this section shall be credited to the undivided local government fund in the treasury of the county on or before the fifteenth day of each month. On or before the twentieth day of each month, the county auditor shall issue warrants against the undivided local government fund for the amounts attributable to each eligible taxing district, and the treasurer shall distribute and pay such amounts to each eligible taxing district. Money received by a township fire district or joint fire district under this division shall be credited to the district's general fund and may be used for any lawful purpose of the district. Money received by a township under this division shall be credited to the township's general fund and shall be used for the purpose of funding fire, police, emergency medical, or ambulance services.

Sec. 5747.504. (A) As used in this section:
(1) "Noncompliant municipal corporation" means a municipal corporation that has been declared to be a noncompliant municipal corporation in the certification described in division (E) of section 743.80 of the Revised Code.

(2) "Affected subdivision" means a municipal corporation or township that has been declared to be an affected subdivision in the certification described in division (E) of section 743.80 of the Revised Code.

(B) Upon receiving a certification described in division (E) of section 743.80 of the Revised Code, the tax commissioner shall do all of the following:

(1) Immediately forward a copy of the certification to the director of environmental protection, the director of the Ohio public works commission, the Ohio water development authority, and the director of development services;

(2) Cease providing for payments to the noncompliant municipal corporation under division (C) of section 5747.50 of the Revised Code, beginning with the next required payment, and reduce payments to the appropriate county undivided local government fund under division (B) of section 5747.50 of the Revised Code by an amount equal to the payments the municipal corporation would otherwise receive under section 5747.503, 5747.51, or 5747.53 of the Revised Code, in both cases beginning with the next required payment;

(3) Immediately notify the county auditor and county treasurer that payments to the noncompliant municipal corporation from the county undivided local government fund are to cease until the tax commissioner notifies the auditor and treasurer under division (C)(3) of this section that the
payments are to resume.

The county treasurer shall cease providing for payments to the municipal corporation from the undivided local government fund beginning with the payment specified by the tax commissioner.

(C) Upon receiving a certification described in division (F) of section 743.80 of the Revised Code, the tax commissioner shall do all of the following:

(1) Immediately forward a copy of the certification to the director of environmental protection, the director of the Ohio public works commission, the Ohio water development authority, and the director of development services;

(2) Resume payments to the formerly noncompliant municipal corporation under division (C) of section 5747.50 of the Revised Code and resume payments to the county's undivided local government fund to the extent such payments were reduced under division (B)(2) of this section, in both cases beginning with the next required payment;

(3) Immediately notify the county auditor and county treasurer that the treasurer is to resume payments from the undivided local government fund to the formerly noncompliant municipal corporation under section 5747.503, 5747.51, or 5747.53 of the Revised Code.

The county treasurer shall resume payments to the municipal corporation from the undivided local government fund beginning with the payment specified by the tax commissioner.

(D) The tax commissioner shall provide for payment of an amount equal to amounts withheld from a noncompliant municipal corporation under division (B)(2) of this section to each
township and municipal corporation that is an affected subdivision with respect to the noncompliant municipal corporation. The payment to each such subdivision shall be in the proportion that the population of that subdivision bears to the total population of all affected subdivisions, as determined by the most recent federal decennial census.

(E) An affected subdivision shall use money received under division (D) of this section for the current operating expenses of the subdivision.

Sec. 5747.51. (A) On or before the twenty-fifth day of July of each year, the tax commissioner shall make and certify to the county auditor of each county an estimate of the amount of the local government fund to be allocated to the undivided local government fund of each county for the ensuing calendar year, adjusting the total as required to account for subdivisions receiving local government funds under section 5747.502 of the Revised Code or subdivisions ceasing to receive local government funds under section 5747.504 of the Revised Code.

(B) At each annual regular session of the county budget commission convened pursuant to section 5705.27 of the Revised Code, each auditor shall present to the commission the certificate of the commissioner, the annual tax budget and estimates, and the records showing the action of the commission in its last preceding regular session. The commission, after extending to the representatives of each subdivision an opportunity to be heard, under oath administered by any member of the commission, and considering all the facts and information presented to it by the auditor, shall determine the amount of the undivided local government fund needed by and to be
apportioned to each subdivision for current operating expenses, as shown in the tax budget of the subdivision. This determination shall be made pursuant to divisions (C) to (I) of this section, unless the commission has provided for a formula pursuant to section 5747.53 of the Revised Code. The commissioner shall reduce or increase the amount of funds from the undivided local government fund to a subdivision required to receive reduced or increased funds under section 5747.502 or 5747.504 of the Revised Code.

Nothing in this section prevents the budget commission, for the purpose of apportioning the undivided local government fund, from inquiring into the claimed needs of any subdivision as stated in its tax budget, or from adjusting claimed needs to reflect actual needs. For the purposes of this section, "current operating expenses" means the lawful expenditures of a subdivision, except those for permanent improvements and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision.

(C) The commission shall determine the combined total of the estimated expenditures, including transfers, from the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities operated by a subdivision, as shown in the subdivision's tax budget for the ensuing calendar year.

(D) From the combined total of expenditures calculated pursuant to division (C) of this section, the commission shall deduct the following expenditures, if included in these funds in the tax budget:
(1) Expenditures for permanent improvements as defined in division (E) of section 5705.01 of the Revised Code;

(2) In the case of counties and townships, transfers to the road and bridge fund, and in the case of municipalities, transfers to the street construction, maintenance, and repair fund and the state highway improvement fund;

(3) Expenditures for the payment of debt charges;

(4) Expenditures for the payment of judgments.

(E) In addition to the deductions made pursuant to division (D) of this section, revenues accruing to the general fund and any special fund considered under division (C) of this section from the following sources shall be deducted from the combined total of expenditures calculated pursuant to division (C) of this section:

(1) Taxes levied within the ten-mill limitation, as defined in section 5705.02 of the Revised Code;

(2) The budget commission allocation of estimated county public library fund revenues to be distributed pursuant to section 5747.48 of the Revised Code;

(3) Estimated unencumbered balances as shown on the tax budget as of the thirty-first day of December of the current year in the general fund, but not any estimated balance in any special fund considered in division (C) of this section;

(4) Revenue, including transfers, shown in the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities, from all other sources except those
that a subdivision receives from an additional tax or service charge voted by its electorate or receives from special assessment or revenue bond collection. For the purposes of this division, where the charter of a municipal corporation prohibits the levy of an income tax, an income tax levied by the legislative authority of such municipal corporation pursuant to an amendment of the charter of that municipal corporation to authorize such a levy represents an additional tax voted by the electorate of that municipal corporation. For the purposes of this division, any measure adopted by a board of county commissioners pursuant to section 322.02, 4504.02, or 5739.021 of the Revised Code, including those measures upheld by the electorate in a referendum conducted pursuant to section 322.021, 4504.021, or 5739.022 of the Revised Code, shall not be considered an additional tax voted by the electorate.

Subject to division (G) of section 5705.29 of the Revised Code, money in a reserve balance account established by a county, township, or municipal corporation under section 5705.13 of the Revised Code shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Money in a reserve balance account established by a township under section 5705.132 of the Revised Code shall not be considered an unencumbered balance or revenue under division (E) (3) or (4) of this section.

If a county, township, or municipal corporation has created and maintains a nonexpendable trust fund under section 5705.131 of the Revised Code, the principal of the fund, and any additions to the principal arising from sources other than the reinvestment of investment earnings arising from such a fund, shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Only investment earnings
arising from investment of the principal or investment of such additions to principal may be considered an unencumbered balance or revenue under those divisions.

(F) The total expenditures calculated pursuant to division (C) of this section, less the deductions authorized in divisions (D) and (E) of this section, shall be known as the "relative need" of the subdivision, for the purposes of this section.

(G) The budget commission shall total the relative need of all participating subdivisions in the county, and shall compute a relative need factor by dividing the total estimate of the undivided local government fund by the total relative need of all participating subdivisions.

(H) The relative need of each subdivision shall be multiplied by the relative need factor to determine the proportionate share of the subdivision in the undivided local government fund of the county; provided, that the maximum proportionate share of a county shall not exceed the following maximum percentages of the total estimate of the undivided local government fund governed by the relationship of the percentage of the population of the county that resides within municipal corporations within the county to the total population of the county as reported in the reports on population in Ohio by the department of development as of the twentieth day of July of the year in which the tax budget is filed with the budget commission:

<table>
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<tr>
<th>Percentage share of the county shall not exceed:</th>
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<tr>
<td>Percentage of municipal population within the county:</td>
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<td>Less than forty-one per cent</td>
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Forty-one per cent or more but less than eighty-one per cent

Eighty-one per cent or more

Fifty per cent

Thirty per cent

Where the proportionate share of the county exceeds the limitations established in this division, the budget commission shall adjust the proportionate shares determined pursuant to this division so that the proportionate share of the county does not exceed these limitations, and it shall increase the proportionate shares of all other subdivisions on a pro rata basis. In counties having a population of less than one hundred thousand, not less than ten per cent shall be distributed to the townships therein.

(I) The proportionate share of each subdivision in the undivided local government fund determined pursuant to division (H) of this section for any calendar year shall not be less than the product of the average of the percentages of the undivided local government fund of the county as apportioned to that subdivision for the calendar years 1968, 1969, and 1970, multiplied by the total amount of the undivided local government fund of the county apportioned pursuant to former section 5735.23 of the Revised Code for the calendar year 1970. For the purposes of this division, the total apportioned amount for the calendar year 1970 shall be the amount actually allocated to the county in 1970 from the state collected intangible tax as levied by section 5707.03 of the Revised Code and distributed pursuant to section 5725.24 of the Revised Code, plus the amount received by the county in the calendar year 1970 pursuant to division (B) (1) of former section 5739.21 of the Revised Code, and distributed pursuant to former section 5739.22 of the Revised Code. If the total amount of the undivided local government fund
for any calendar year is less than the amount of the undivided local government fund apportioned pursuant to former section 5739.23 of the Revised Code for the calendar year 1970, the minimum amount guaranteed to each subdivision for that calendar year pursuant to this division shall be reduced on a basis proportionate to the amount by which the amount of the undivided local government fund for that calendar year is less than the amount of the undivided local government fund apportioned for the calendar year 1970.

(J) On the basis of such apportionment, the county auditor shall compute the percentage share of each such subdivision in the undivided local government fund and shall at the same time certify to the tax commissioner the percentage share of the county as a subdivision. No payment shall be made from the undivided local government fund, except in accordance with such percentage shares.

Within ten days after the budget commission has made its apportionment, whether conducted pursuant to section 5747.51 or 5747.53 of the Revised Code, the auditor shall publish a list of the subdivisions and the amount each is to receive from the undivided local government fund and the percentage share of each subdivision, in a newspaper or newspapers of countywide circulation, and send a copy of such allocation to the tax commissioner.

The county auditor shall also send a copy of such allocation by ordinary or electronic mail to the fiscal officer of each subdivision entitled to participate in the allocation of the undivided local government fund of the county. This copy shall constitute the official notice of the commission action referred to in section 5705.37 of the Revised Code.
All money received into the treasury of a subdivision from the undivided local government fund in a county treasury shall be paid into the general fund and used for the current operating expenses of the subdivision.

If a municipal corporation maintains a municipal university, such municipal university, when the board of trustees so requests the legislative authority of the municipal corporation, shall participate in the money apportioned to such municipal corporation from the total local government fund, however created and constituted, in such amount as requested by the board of trustees, provided such sum does not exceed nine per cent of the total amount paid to the municipal corporation.

If any public official fails to maintain the records required by sections 5747.50 to 5747.55 of the Revised Code or by the rules issued by the tax commissioner, the auditor of state, or the treasurer of state pursuant to such sections, or fails to comply with any law relating to the enforcement of such sections, the local government fund money allocated to the county may be withheld until such time as the public official has complied with such sections or such law or the rules issued pursuant thereto.

Sec. 5747.53. (A) As used in this section:

(1) "City, located wholly or partially in the county, with the greatest population" means the city, located wholly or partially in the county, with the greatest population residing in the county; however, if the county budget commission on or before January 1, 1998, adopted an alternative method of apportionment that was approved by the legislative authority of the city, located partially in the county, with the greatest population but not the greatest population residing in the
county, "city, located wholly or partially in the county, with the greatest population" means the city, located wholly or partially in the county, with the greatest population whether residing in the county or not, if this alternative meaning is adopted by action of the board of county commissioners and a majority of the boards of township trustees and legislative authorities of municipal corporations located wholly or partially in the county.

(2) "Participating political subdivision" means a municipal corporation or township that satisfies all of the following:

(a) It is located wholly or partially in the county.

(b) It is not the city, located wholly or partially in the county, with the greatest population.

(c) Undivided local government fund moneys are apportioned to it under the county's alternative method or formula of apportionment in the current calendar year.

(B) In lieu of the method of apportionment of the undivided local government fund of the county provided by section 5747.51 of the Revised Code, the county budget commission may provide for the apportionment of the fund under an alternative method or on a formula basis as authorized by this section. The commissioner shall reduce or increase the amount of funds from the undivided local government fund to a subdivision required to receive reduced or increased funds under section 5747.502 or 5747.504 of the Revised Code.

Except as otherwise provided in division (C) of this section, the alternative method of apportionment shall have first been approved by all of the following governmental units:
the board of county commissioners; the legislative authority of the city, located wholly or partially in the county, with the greatest population; and a majority of the boards of township trustees and legislative authorities of municipal corporations, located wholly or partially in the county, excluding the legislative authority of the city, located wholly or partially in the county, with the greatest population. In granting or denying approval for an alternative method of apportionment, the board of county commissioners, boards of township trustees, and legislative authorities of municipal corporations shall act by motion. A motion to approve shall be passed upon a majority vote of the members of a board of county commissioners, board of township trustees, or legislative authority of a municipal corporation, shall take effect immediately, and need not be published.

Any alternative method of apportionment adopted and approved under this division may be revised, amended, or repealed in the same manner as it may be adopted and approved. If an alternative method of apportionment adopted and approved under this division is repealed, the undivided local government fund of the county shall be apportioned among the subdivisions eligible to participate in the fund, commencing in the ensuing calendar year, under the apportionment provided in section 5747.52 of the Revised Code, unless the repeal occurs by operation of division (C) of this section or a new method for apportionment of the fund is provided in the action of repeal.

(C) This division applies only in counties in which the city, located wholly or partially in the county, with the greatest population has a population of twenty thousand or less and a population that is less than fifteen per cent of the total population of the county. In such a county, the legislative
authorities or boards of township trustees of two or more participating political subdivisions, which together have a population residing in the county that is a majority of the total population of the county, each may adopt a resolution to exclude the approval otherwise required of the legislative authority of the city, located wholly or partially in the county, with the greatest population. All of the resolutions to exclude that approval shall be adopted not later than the first Monday of August of the year preceding the calendar year in which distributions are to be made under an alternative method of apportionment.

A motion granting or denying approval of an alternative method of apportionment under this division shall be adopted by a majority vote of the members of the board of county commissioners and by a majority vote of a majority of the boards of township trustees and legislative authorities of the municipal corporations located wholly or partially in the county, other than the city, located wholly or partially in the county, with the greatest population, shall take effect immediately, and need not be published. The alternative method of apportionment under this division shall be adopted and approved annually, not later than the first Monday of August of the year preceding the calendar year in which distributions are to be made under it. A motion granting approval of an alternative method of apportionment under this division repeals any existing alternative method of apportionment, effective with distributions to be made from the fund in the ensuing calendar year. An alternative method of apportionment under this division shall not be revised or amended after the first Monday of August of the year preceding the calendar year in which distributions are to be made under it.
(D) In determining an alternative method of apportionment authorized by this section, the county budget commission may include in the method any factor considered to be appropriate and reliable, in the sole discretion of the county budget commission.

(E) The limitations set forth in section 5747.51 of the Revised Code, stating the maximum amount that the county may receive from the undivided local government fund and the minimum amount the townships in counties having a population of less than one hundred thousand may receive from the fund, are applicable to any alternative method of apportionment authorized under this section.

(F) On the basis of any alternative method of apportionment adopted and approved as authorized by this section, as certified by the auditor to the county treasurer, the county treasurer shall make distribution of the money in the undivided local government fund to each subdivision eligible to participate in the fund, and the auditor, when the amount of those shares is in the custody of the treasurer in the amounts so computed to be due the respective subdivisions, shall at the same time certify to the tax commissioner the percentage share of the county as a subdivision. All money received into the treasury of a subdivision from the undivided local government fund in a county treasury shall be paid into the general fund and used for the current operating expenses of the subdivision. If a municipal corporation maintains a municipal university, the university, when the board of trustees so requests the legislative authority of the municipal corporation, shall participate in the money apportioned to the municipal corporation from the total local government fund, however created and constituted, in the amount requested by the board of
trustees, provided that amount does not exceed nine per cent of
the total amount paid to the municipal corporation.

(G) The actions of the county budget commission taken
pursuant to this section are final and may not be appealed to
the board of tax appeals, except on the issues of abuse of
discretion and failure to comply with the formula.

Section 2. That existing sections 5747.50, 5747.51, and
5747.53 of the Revised Code are hereby repealed.

Section 3. Section 5747.51 of the Revised Code is
presented in this act as a composite of the section as amended
by both Sub. H.B. 166 and Sub. H.B. 390 of the 131st General
Assembly. The General Assembly, applying the principle stated in
division (B) of section 1.52 of the Revised Code that amendments
are to be harmonized if reasonably capable of simultaneous
operation, finds that the composite is the resulting version of
the section in effect prior to the effective date of the section
as presented in this act.