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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 157  
133<sup>rd</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Rep. Greenspan

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### SUMMARY

- Creates the Local Government Adult and Senior Services Fund to provide money to counties to fund adult and senior protective services and facilities.
- Allocates to that fund 50% of any state surplus revenue for each fiscal year, subject to limitations to ensure that Budget Stabilization Fund balances are maintained.
- States that the General Assembly may not decrease the amount allocated to the Local Government Fund below the amount that the fund currently receives – 1.66% of total state tax revenue credited to the GRF each month.

### DETAILED ANALYSIS

#### Surplus revenue for county adult and senior services funding

The bill allocates 50% of the state's surplus revenue in each fiscal year, if any, to the new Local Government Adult and Senior Services Fund (LGASSF). Money in the new fund is annually paid to counties to fund adult and senior protective services and facilities authorized or required under continuing law.

#### Current allocation of surplus revenue

At the end of each fiscal year, any surplus revenue in the General Revenue Fund (GRF) is required to be deposited into the state's Rainy Day Fund (formally, the Budget Stabilization Fund, or BSF). Once the balance in the Rainy Day Fund equals 8.5% of General Revenue Fund (GRF) revenues for the preceding fiscal year and certain reserve balance requirements are

satisfied, the remaining surplus is deposited into the Income Tax Reduction Fund (ITRF) and used to lower income tax rates.<sup>1</sup>

### **Allocation of surplus to LGASSF**

Beginning in fiscal years commencing after the bill's effective date, the bill instead requires that 50% of surplus revenue be allocated to the LGASSF, subject to the limitation described below. The remaining 50% is then credited to the BSF to the extent needed to maintain its 8.5%-of-GRF balance, with any remainder credited to the ITRF.

The allocation to the LGASSF will be suspended if, during the prior fiscal year, the balance of the BSF decreased by 10% or more. In such cases, all surplus revenue will be allocated to the BSF until its balance equals the balance of the fund on August 1 of the year in which that decrease occurred (or 8.5% of GRF revenues for the preceding year, whichever is less). If any surplus revenue remains after the BSF is replenished to that balance, 50% of the remainder will be allocated to the LGASSF.<sup>2</sup>

### **Distribution of LGASSF to counties**

By August 31 of each year, the balance of the LGASSF must be distributed to each county based on the county's population.<sup>3</sup> Money received by a county must be deposited in a special fund in the county treasury and used exclusively to fund county adult protective and senior services and facilities. Such services may include protective services, case work services, medical care, mental health services, legal services, fiscal management, home healthcare, homemaker services, housing-related services, guardianship services, and placement services. Eligible facilities may include those staffed by senior services providers who administer specialized care for adults and the elderly, as well as food, clothing, shelter, and emergency assistance for that population.<sup>4</sup>

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<sup>1</sup> R.C. 131.44. The Income Tax Reduction Fund law has operated to reduce income tax rates only three times since its 1995 enactment, for 1996, 1998, and 1999. Since 1999, there either has been no surplus or the surplus was diverted to the BSF or GRF or appropriated for specific expenditures before it could accrue to the ITRF.

<sup>2</sup> R.C. 131.44; Section 3 of the bill.

<sup>3</sup> R.C. 131.52(B). The bill appears to have an unintended mathematical error. LGASSF money was intended to be allocated to each county in proportion to its population compared with the population of the entire state, but instead the revenue is allocated by dividing the LGASSF's balance by the county's population. A corrective amendment has been prepared to resolve this issue.

<sup>4</sup> R.C. 131.52(C) and (D).

## Local Government Fund: required allocation

The bill also states that the General Assembly may not adopt legislation that would lower the amount allocated to existing law’s Local Government Fund (LGF) below the amount that the fund currently receives – 1.66% of the total state tax revenue credited to the GRF each month.<sup>5</sup>

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### HISTORY

Action	Date
Introduced	03-21-19

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<sup>5</sup> R.C. 131.51.