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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 310**  
**133<sup>rd</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for S.B. 310's Bill Analysis](#)

**Version:** As Passed by the Senate

**Primary Sponsor:** Sen. Dolan

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The bill appropriates \$350 million of federal aid, so that the Director of the Office of Budget and Management (OBM) can distribute funding to counties, municipalities, and townships. The purpose of the distribution is to assist local governments in addressing the public health emergency caused by COVID-19. The \$350 million has already been received in Fund 5CV1.
- The bill specifies the method of distributing the funds, generally by following the 2019 distribution of funds from the Local Government Fund.
- Unexpended balances must be returned to OBM by December 28, 2020. Each county must report to OBM their distribution of funds to political subdivisions. The Auditor of State is required to audit a subdivision's coronavirus relief fund to determine if expenditures were made in accordance with law.

### **Detailed Analysis**

#### **Coronavirus Relief Fund**

The Controlling Board created the Coronavirus Relief Fund (Fund 5CV1) in the state treasury to distribute federal grants for various purposes, including distributions to local governments. The "Coronavirus Aid, Relief, and Economic Security (CARES) Act," was passed by Congress and signed into law by the President on March 27, 2020.

The bill appropriates \$350 million from Fund 5CV1 for FY 2020 and reappropriates in FY 2021 any unencumbered and unexpended amounts left at the end of FY 2020.

The Director of the Ohio Office of Budget and Management (OBM), in consultation with the Tax Commissioner, must provide for payment from Fund 5CV1 to each county treasury, to be deposited into a new fund in the county treasury to be named the County Coronavirus Relief

Distribution Fund. The Fund 5CV1 amount disbursed to each county's respective Coronavirus Relief Distribution Fund is based upon the proportion of Local Government Fund amounts allocated in 2019, as adjusted for the exclusion<sup>1</sup> of counties and municipalities large enough to receive direct CARES payments from the federal government.

Once the CARES Act revenue is paid to the county, the money is further divided among the county and townships and municipalities in the county, albeit while excluding ineligible subdivisions. The revenue must be distributed in the same proportion as county undivided local government fund (CULGF) revenue was distributed to the county, municipality, or township in 2019. However, the legislative authority of each recipient subdivision must adopt a resolution or ordinance affirming that the funds so received may be expended only to cover costs of the subdivision consistent with the requirements of the CARES Act before receiving its share of funding.

Upon making the disbursements, the county auditor must report to the OBM Director the amount distributed to each subdivision. Furthermore, a county, municipal corporation, or township receiving a payment from a county's Coronavirus Relief Distribution Fund must provide any information related to those payments or their expenditure to the OBM Director upon request.

## **CARES Act spending requirements**

The CARES Act requires<sup>2</sup> that the payments from the Coronavirus Relief Fund only be used to cover expenses that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

## **Auditor of State duties**

S.B. 310 requires political subdivisions receiving distributions from Fund 5CV1 to create a new fund in their respective treasuries that is solely reserved for costs permissible under the CARES Act.

The bill requires that money in a subdivision's local coronavirus relief fund be audited by the Auditor of State during the subdivision's next regular audit under section 117.11 of the Revised Code to determine whether money in the fund was expended in accordance with the requirements of S.B. 310. The Auditor of State pays for the costs of political subdivision

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<sup>1</sup> Local governments meeting this federal threshold are the city of Columbus, and Cuyahoga, Franklin, Hamilton, Montgomery, and Summit counties. These political subdivisions may apply directly to the federal government for CARES Act funding, and are referred to as "ineligible subdivisions" in the remainder of this fiscal note.

<sup>2</sup> <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>.

financial audits through the Public Audit Expense – Local Government Fund (Fund 4220). The costs of the audits are then recouped through the Auditor billing political subdivisions at an hourly rate of \$41 per hour as determined through the Statewide Cost Allocation Plan (SWCAP).

## **Unexpended balances**

Subdivisions are required to return to the county treasury any CARES Act funding that remains unencumbered as of October 15, 2020. Returned revenue is then redistributed to the county and townships and municipalities in the county, except that no amount may be paid to (1) an ineligible subdivision, (2) a subdivision that had returned its funds, or (3) a subdivision whose legislative authority did not pass the necessary resolution or ordinance. One-quarter of the returned revenue is paid to the county, if eligible, and the remainder is paid to the other eligible municipalities and townships based on each subdivision's population relative to the population of all such subdivisions, with a township's population being based on its unincorporated area only.

No later than December 28, 2020, any unspent balance of a political subdivision's local coronavirus relief fund must be returned to the state treasury, in the manner prescribed by the OBM Director. The CARES Act requires the return of unspent funds to the federal treasury by December 30, 2020.

## **Emergency provision**

S.B. 310 declares itself an emergency measure; therefore, it goes into immediate effect upon its enactment.

## Appendix

### Estimated Payments to County Coronavirus Relief Distribution Funds

The bill requires the OBM Director to make payments from Fund 5CV1 to counties by using the same proportions that amounts were allocated to their respective CULGF in 2019, as adjusted according to S.B. 310 provisions. The table below estimates Fund 5CV1 payments to counties using 2019 statistics from the Ohio Department of Taxation's website. Further allocations among political subdivisions within a county are not displayed, in part, because the 2019 data has yet to be posted.<sup>3</sup>

<b>Estimated County Coronavirus Relief Distribution Fund Payments under S.B. 310</b>	
<b>County</b>	<b>Estimated Payment from Fund 5CV1</b>
Adams	\$934,687
Allen	\$3,399,657
Ashland	\$1,585,573
Ashtabula	\$3,004,500
Athens	\$1,529,944
Auglaize	\$1,715,963
Belmont	\$2,120,820
Brown	\$934,687
Butler	\$10,803,471
Carroll	\$934,687
Champaign	\$1,077,743
Clark	\$4,253,692
Clermont	\$3,257,350

<sup>3</sup> [https://www.tax.ohio.gov/tax\\_analysis/tax\\_data\\_series/local\\_government\\_funds/publications\\_tds\\_local.aspx](https://www.tax.ohio.gov/tax_analysis/tax_data_series/local_government_funds/publications_tds_local.aspx).

<b>Estimated County Coronavirus Relief Distribution Fund Payments under S.B. 310</b>	
<b>County</b>	<b>Estimated Payment from Fund 5CV1</b>
Clinton	\$1,206,718
Columbiana	\$3,074,114
Coshocton	\$1,072,555
Crawford	\$1,570,881
Cuyahoga	\$56,162,225
Darke	\$1,776,217
Defiance	\$1,336,055
Delaware	\$3,617,811
Erie	\$2,786,476
Fairfield	\$3,728,241
Fayette	\$934,687
Franklin	\$11,018,611
Fulton	\$1,477,650
Gallia	\$934,687
Geauga	\$2,042,930
Greene	\$6,061,500
Guernsey	\$1,112,295
Hamilton	\$22,643,054
Hancock	\$2,919,411
Hardin	\$934,687
Harrison	\$740,270
Henry	\$934,687
Highland	\$1,006,917

<b>Estimated County Coronavirus Relief Distribution Fund Payments under S.B. 310</b>	
<b>County</b>	<b>Estimated Payment from Fund 5CV1</b>
Hocking	\$934,687
Holmes	\$934,687
Huron	\$2,019,887
Jackson	\$934,687
Jefferson	\$2,898,305
Knox	\$1,487,104
Lake	\$12,632,162
Lawrence	\$1,406,864
Licking	\$4,914,008
Logan	\$1,353,969
Lorain	\$12,058,591
Lucas	\$18,316,739
Madison	\$1,077,043
Mahoning	\$7,484,867
Marion	\$1,981,034
Medina	\$5,097,092
Meigs	\$855,098
Mercer	\$1,390,299
Miami	\$3,830,707
Monroe	\$548,527
Montgomery	\$13,012,551
Morgan	\$551,163
Morrow	\$934,687

<b>Estimated County Coronavirus Relief Distribution Fund Payments under S.B. 310</b>	
<b>County</b>	<b>Estimated Payment from Fund 5CV1</b>
Muskingum	\$2,280,823
Noble	\$500,445
Ottawa	\$1,247,105
Paulding	\$889,230
Perry	\$934,687
Pickaway	\$1,370,501
Pike	\$934,687
Portage	\$4,664,915
Preble	\$1,130,771
Putnam	\$1,086,359
Richland	\$4,553,286
Ross	\$2,127,139
Sandusky	\$2,139,056
Scioto	\$1,899,738
Seneca	\$2,039,856
Shelby	\$1,789,709
Stark	\$11,653,993
Summit	\$17,804,748
Trumbull	\$6,789,059
Tuscarawas	\$3,216,480
Union	\$1,147,868
Van Wert	\$956,710
Vinton	\$444,098

<b>Estimated County Coronavirus Relief Distribution Fund Payments under S.B. 310</b>	
<b>County</b>	<b>Estimated Payment from Fund 5CV1</b>
Warren	\$5,080,484
Washington	\$1,751,421
Wayne	\$3,682,856
Williams	\$1,443,139
Wood	\$4,205,936
Wyandot	\$934,687
<b>Total</b>	<b>\$350,000,000</b>

Note: County estimates may not sum to total due to rounding.