

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 415**

**Representatives Greenspan, Ryan**

**Cosponsors: Representatives Arndt, Carfagna, Dever, Gavarone, Ginter, Hill, Kick, Lang, Lipps, Riedel, Schaffer, Seitz, Sweeney, Young**

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**A BILL**

To amend sections 131.44 and 131.51 and to enact 1  
section 131.52 of the Revised Code to allocate 2  
one-half of any surplus revenue to a new Local 3  
Government Road Improvement Fund, from which 4  
money will be distributed directly to local 5  
governments to fund road improvements. 6

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

**Section 1.** That sections 131.44 and 131.51 be amended and 7  
section 131.52 of the Revised Code be enacted to read as 8  
follows: 9

**Sec. 131.44.** (A) As used in this section: 10

(1) "Surplus revenue" means the excess, if any, of the 11  
total fund balance over the required year-end balance. 12

(2) "Total fund balance" means the sum of the unencumbered 13  
balance in the general revenue fund on the last day of the 14  
preceding fiscal year plus the balance in the budget 15  
stabilization fund. 16

(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 local government road improvement fund, 61  
fifty per cent of the surplus revenue; 62

(b) Second, to the budget stabilization fund, any amount 63  
necessary for the balance of the budget stabilization fund to 64  
equal eight and one-half per cent of the general revenue fund 65  
revenues of the preceding fiscal year; 66

~~(b) Then~~ (c) Third, to the income tax reduction fund, which 67  
is hereby created in the state treasury, an amount equal to the 68  
remaining surplus revenue. 69

(2) Not later than the thirty-first day of July each year, 70  
the director shall determine the percentage that the balance in 71  
the income tax reduction fund is of the amount of revenue that 72  
the director estimates will be received from the tax levied 73  
under section 5747.02 of the Revised Code in the current fiscal 74

year without regard to any reduction under division (B) of that 75  
section. If that percentage exceeds thirty-five one hundredths 76  
of one per cent, the director shall certify the percentage to 77  
the tax commissioner not later than the thirty-first day of 78  
July. 79

(C) The director of budget and management shall transfer 80  
money in the income tax reduction fund to the general revenue 81  
fund, the local government fund, and the public library fund as 82  
necessary to offset revenue reductions resulting from the 83  
reductions in taxes required under division (B) of section 84  
5747.02 of the Revised Code in the respective amounts and 85  
percentages prescribed by division (A) of section 5747.03 and 86  
divisions (A) and (B) of section 131.51 of the Revised Code as 87  
if the amount transferred had been collected as taxes under 88  
Chapter 5747. of the Revised Code. If no reductions in taxes are 89  
made under that division that affect revenue received in the 90  
current fiscal year, the director shall not transfer money from 91  
the income tax reduction fund to the general revenue fund, the 92  
local government fund, and the public library fund. 93

**Sec. 131.51.** (A) On or before the seventh day of each 94  
month, the director of budget and management shall credit to the 95  
local government fund one and sixty-six one-hundredths per cent 96  
of the total tax revenue credited to the general revenue fund 97  
during the preceding month. In determining the total tax revenue 98  
credited to the general revenue fund during the preceding month, 99  
the director shall include amounts transferred from the fund 100  
during the preceding month under this division and division (B) 101  
of this section. Money shall be distributed from the local 102  
government fund as required under sections 5747.50 and 5747.503 103  
of the Revised Code during the same month in which it is 104  
credited to the fund. 105

(B) On or before the seventh day of each month, the 106  
director of budget and management shall credit to the public 107  
library fund one and sixty-six one-hundredths per cent of the 108  
total tax revenue credited to the general revenue fund during 109  
the preceding month. In determining the total tax revenue 110  
credited to the general revenue fund during the preceding month, 111  
the director shall include amounts transferred from the fund 112  
during the preceding month under this division and division (A) 113  
of this section. Money shall be distributed from the public 114  
library fund as required under section 5747.47 of the Revised 115  
Code during the same month in which it is credited to the fund. 116

(C) The director of budget and management shall develop a 117  
schedule identifying the specific tax revenue sources to be used 118  
to make the monthly transfers required under divisions (A) and 119  
(B) of this section. The director may, from time to time, revise 120  
the schedule as the director considers necessary. 121

(D) No act of the general assembly shall reduce the amount 122  
to be credited to the local government fund each month to an 123  
amount that is less than one and sixty-six one-hundredths of one 124  
per cent of the total tax revenue credited to the general 125  
revenue fund during the preceding month. 126

Sec. 131.52. (A) There is hereby created in the state 127  
treasury the local government road improvement fund. The fund 128  
shall consist of money transferred to it pursuant to section 129  
131.44 of the Revised Code and of any other amounts appropriated 130  
to it. 131

(B) The director of budget and management shall distribute 132  
all money in the local government road improvement fund to 133  
counties. The amount distributed to each county shall equal the 134  
product of the following: 135

(1) The balance of the local government road improvement fund; 136  
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(2) A fraction, the numerator of which is the number of lane miles of roadways in the county maintained by a political subdivision and the denominator of which is the total number of lane miles of roadways in the state maintained by a political subdivision. 138  
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(C) Money distributed to a county under division (B) of this section shall be credited to the undivided local government road improvement fund in the treasury of the county. Within thirty days after the receipt of money into such fund, the county auditor shall determine the amount to be paid from the fund to each political subdivision in the county. Each political subdivision shall receive the product of the following: 143  
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(1) The balance of the undivided local government road improvement fund; 150  
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(2) A fraction, the numerator of which is the number of lane miles of roadways maintained by the political subdivision and the denominator of which is the total number of lane miles of roadways maintained by political subdivisions in the county. 152  
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The county auditor shall issue warrants against the undivided local government road improvement fund in the amounts to be paid to political subdivisions pursuant to this division, and the county treasurer shall pay such amounts to those political subdivisions. 156  
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(D) Amounts distributed to a political subdivision under this section shall be used solely for road improvements. A political subdivision may use the funds distributed to it in the year in which the distribution is received or in any succeeding 161  
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<u>year.</u>	165
<b>Section 2.</b> That existing sections 131.44 and 131.51 of the Revised Code are hereby repealed.	166 167
<b>Section 3.</b> The amendment or enactment by this act of sections 131.44, 131.51, and 131.52 of the Revised Code applies on and after July 1, 2019.	168 169 170