

AN ACT

To amend sections 127.14, 131.18, 131.44, 131.51, 133.10, 135.35, 135.352, 149.411, 321.08, 3375.05, 3375.121, 3375.32, 3375.35, 3375.36, 3375.37, 3375.38, 3375.39, 3375.40, 3375.404, 3375.41, 3375.42, 3375.85, 3375.91, 3375.92, 5705.28, 5705.281, 5705.31, 5705.32, 5705.321, 5705.37, 5715.36, 5719.041, 5747.03, 5747.46, 5747.47, 5747.48, 5747.51, and 5747.52 and to enact sections 3375.351, 3375.64, 3375.65, 3375.66, and 3375.67 of the Revised Code and to amend Section 323.10 of H.B. 119 of the 127th General Assembly to revise certain laws governing public libraries, to change the name of the Library and Local Government Support Fund, and to codify the creation of the Ohio Public Library Information Network.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 127.14, 131.18, 131.44, 131.51, 133.10, 135.35, 135.352, 149.411, 321.08, 3375.05, 3375.121, 3375.32, 3375.35, 3375.36, 3375.37, 3375.38, 3375.39, 3375.40, 3375.404, 3375.41, 3375.42, 3375.85, 3375.91, 3375.92, 5705.28, 5705.281, 5705.31, 5705.32, 5705.321, 5705.37, 5715.36, 5719.041, 5747.03, 5747.46, 5747.47, 5747.48, 5747.51, and 5747.52 be amended and sections 3375.351, 3375.64, 3375.65, 3375.66, and 3375.67 of the Revised Code be enacted to read as follows:

Sec. 127.14. The controlling board may, at the request of any state agency or the director of budget and management, authorize, with respect to the provisions of any appropriation act:

(A) Transfers of all or part of an appropriation within but not between state agencies, except such transfers as the director of budget and management is authorized by law to make, provided that no transfer shall be made by the director for the purpose of effecting new or changed levels of

program service not authorized by the general assembly;

(B) Transfers of all or part of an appropriation from one fiscal year to another;

(C) Transfers of all or part of an appropriation within or between state agencies made necessary by administrative reorganization or by the abolition of an agency or part of an agency;

(D) Transfers of all or part of cash balances in excess of needs from any fund of the state to the general revenue fund or to such other fund of the state to which the money would have been credited in the absence of the fund from which the transfers are authorized to be made, except that the controlling board may not authorize such transfers from the accrued leave liability fund, auto registration distribution fund, budget stabilization fund, development bond retirement fund, facilities establishment fund, gasoline excise tax fund, general revenue fund, higher education improvement fund, highway improvement bond retirement fund, highway obligations bond retirement fund, highway capital improvement fund, highway operating fund, horse racing tax fund, improvements bond retirement fund, public library and local government support fund, liquor control fund, local government fund, local transportation improvement program fund, mental health facilities improvement fund, Ohio fairs fund, parks and recreation improvement fund, public improvements bond retirement fund, school district income tax fund, state agency facilities improvement fund, state and local government highway distribution fund, state highway safety fund, state lottery fund, undivided liquor permit fund, Vietnam conflict compensation bond retirement fund, volunteer fire fighters' dependents fund, waterways safety fund, wildlife fund, workers' compensation fund, or any fund not specified in this division that the director of budget and management determines to be a bond fund or bond retirement fund;

(E) Transfers of all or part of those appropriations included in the emergency purposes account of the controlling board;

(F) Temporary transfers of all or part of an appropriation or other moneys into and between existing funds, or new funds, as may be established by law when needed for capital outlays for which notes or bonds will be issued;

(G) Transfer or release of all or part of an appropriation to a state agency requiring controlling board approval of such transfer or release as provided by law;

(H) Temporary transfer of funds included in the emergency purposes appropriation of the controlling board. Such temporary transfers may be made subject to conditions specified by the controlling board at the time

temporary transfers are authorized. No transfers shall be made under this division for the purpose of effecting new or changed levels of program service not authorized by the general assembly.

As used in this section, "request" means an application by a state agency or the director of budget and management seeking some action by the controlling board.

When authorizing the transfer of all or part of an appropriation under this section, the controlling board may authorize the transfer to an existing appropriation item and the creation of and transfer to a new appropriation item.

Whenever there is a transfer of all or part of funds included in the emergency purposes appropriation by the controlling board, pursuant to division (E) of this section, the state agency or the director of budget and management receiving such transfer shall keep a detailed record of the use of the transferred funds. At the earliest scheduled meeting of the controlling board following the accomplishment of the purposes specified in the request originally seeking the transfer, or following the total expenditure of the transferred funds for the specified purposes, the state agency or the director of budget and management shall submit a report on the expenditure of such funds to the board. The portion of any appropriation so transferred which is not required to accomplish the purposes designated in the original request to the controlling board shall be returned to the proper appropriation of the controlling board at this time.

Notwithstanding any provisions of law providing for the deposit of revenues received by a state agency to the credit of a particular fund in the state treasury, whenever there is a temporary transfer of funds included in the emergency purposes appropriation of the controlling board pursuant to division (H) of this section, revenues received by any state agency receiving such a temporary transfer of funds shall, as directed by the controlling board, be transferred back to the emergency purposes appropriation.

The board may delegate to the director of budget and management authority to approve transfers among items of appropriation under division (A) of this section.

Sec. 131.18. When a loss of public funds, entrusted to a county or municipal corporation treasurer or to a clerk of the court of common pleas, clerk of the court of appeals, clerk of the municipal court, clerk of the county court, judge of the probate court as clerk of such court, judge of the juvenile court as clerk of such court, or to a township or school district treasurer, or a ~~clerk~~ fiscal officer of the board of trustees of a public library by virtue of ~~his~~ the treasurer's, clerk's, judge's, or fiscal officer's office,

results from fire, robbery, burglary, flood, or inability of a bank to refund public money lawfully in its possession belonging to such public funds, the board of county commissioners, board of township trustees, the legislative authority of the municipal corporation, the board of education, or the board of library trustees, respectively, may release and discharge such treasurer, clerk, ~~or judge~~, or fiscal officer from all personal liability to or demands of such county, township, municipal corporation, school district, or public library, for the loss so created unless the loss resulted from ~~his~~ the treasurer's, clerk's, judge's, or fiscal officer's negligence or other wrongful act.

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.

(3) "Required year-end balance" means the sum of the following:

(a) Five per cent of the general revenue fund revenues for the preceding fiscal year;

(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;

(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;

(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;

(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.

(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:

(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of

the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriation from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.

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

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

(a) First, to the budget stabilization fund, any amount necessary for the balance of the budget stabilization fund to equal five per cent of the general revenue fund revenues of the preceding fiscal year;

(b) Then, to the income tax reduction fund, which is hereby created in the state treasury, an amount equal to the surplus revenue.

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

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

Sec. 131.51. (A) Beginning January 2008, on or before the fifth day of each month, the director of budget and management shall credit to the local government fund three and sixty-eight one hundredths per cent of total tax

revenue credited to the general revenue fund during the preceding month. In determining the total tax revenue credited to the general revenue fund during the preceding month, the director shall include amounts transferred from that fund during the preceding month pursuant to divisions (A) and (B) of this section. Money shall be distributed from the local government fund as required under section 5747.50 of the Revised Code during the same month in which it is credited to the fund.

(B) Beginning January 2008, on or before the fifth day of each month, the director of budget and management shall credit to the public library ~~and local government support~~ fund, two and twenty-two one hundredths per cent of the total tax revenue credited to the general revenue fund during the preceding month. In determining the total tax revenue credited to the general revenue fund during the preceding month, the director shall include amounts transferred from that fund during the preceding month pursuant to divisions (A) and (B) of this section. Money shall be distributed from the public library ~~and local government support~~ fund as required under section 5747.47 of the Revised Code during the same month in which it is credited to the fund.

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

Sec. 133.10. (A) In anticipation of the collection of current property tax revenues in and for any fiscal year, the taxing authority of any subdivision may issue securities, but the aggregate principal amount of such securities shall not exceed one-half of the amount that the budget commission estimates the subdivision will receive from property taxes in that fiscal year and prior to the last day of the sixth month following the month in which the securities are issued, other than taxes to be received for the payment of debt charges or allocated to debt charges on securities issued pursuant to division (C) of this section, and less all advances. When a partial, semiannual, or final property tax settlement is delayed, securities may also be issued in anticipation of the receipt of property taxes levied or collected for debt charges to the extent necessary to meet such debt charges but not in excess of such estimated receipts, less all advances. The securities issued pursuant to this division (A) shall mature not later than the last day of the sixth month following the month in which the securities are issued and in any case not later than the last day of the fiscal year in which they are issued.

(B) In anticipation of the collection of current revenues in and for any

fiscal year from any source or combination of sources, including distributions of any federal or state moneys, other than the proceeds of property taxes levied by the subdivision, the taxing authority of any subdivision may issue securities, but the aggregate principal amount of such securities shall not exceed one-half of the amount estimated by the fiscal officer to be received by the subdivision from such sources during the remainder of such fiscal year, less advances and prior collections.

(C) In anticipation of the collection of current property tax revenues in and for any fiscal year, the taxing authority of a county, municipal corporation, township, or school district may issue securities, but the aggregate principal amount of those securities and of any securities issued pursuant to division (A) of this section outstanding at the time of issuance shall not exceed one-half of the amount that the budget commission estimates the subdivision will receive from all property taxes that are to be distributed to the subdivision from all settlements of taxes that are to be made in the remainder of that fiscal year, other than taxes to be received for the payment of debt charges, and less all advances.

(D) When the tax settlement scheduled under division (B) of section 321.24 of the Revised Code is delayed pursuant to division (E) of that section, the taxing authority of a school district may issue property tax anticipation securities against the taxes to be included in that settlement, but the aggregate principal amount of all securities outstanding against those taxes shall not exceed ninety per cent of the amount estimated to be received from that settlement by the budget commission, other than taxes to be received for the payment of debt charges, and less all advances. The securities issued pursuant to this division (D) shall mature on or before the next ensuing thirty-first day of August.

(E) This division applies to all securities authorized by this section.

(1) The amounts from the sources anticipated needed to pay debt charges and financing costs shall be considered appropriated for that purpose, and other appropriations from those sources by the taxing authority shall be limited to the balance available after deducting the amount to pay those debt charges and financing costs. The portions of those amounts as received and to be applied to those debt charges shall be deposited and set aside in an account for the purpose in the bond retirement fund in the amounts and at the times required to pay those debt charges as provided for by the authorizing legislation or otherwise provided by law.

(2) Except as otherwise provided in division (H) of this section, the securities shall not be issued prior to the first day and, except as otherwise provided in divisions (A) and (D) of this section, shall mature not later than

the last day of the fiscal year for which the revenues are anticipated.

(3) The proceeds of the principal amount of the securities shall be used only for the purposes for which the amounts anticipated were levied, collected, distributed, and appropriated, and for financing costs related to those securities.

(4) Property taxes include distributions from the state in payment of credits against or partial exemptions from, or reduction of, property taxes.

(5) If for any reason debt charges on securities authorized by this section are not paid by the subdivision in the fiscal year when due, the taxing authority of the subdivision shall include in its next annual appropriation measure an amount sufficient to pay those debt charges, and the county auditor and county treasurer shall withhold, in a custodial account, amounts due the subdivision from the sources anticipated until such amount is accumulated by those officers and they directly pay or provide, through the paying agent or otherwise, for the payment of those debt charges.

(F) The authority to issue securities under divisions (A) and (B) of this section may be exercised by any board of library trustees of a public library, or board of park commissioners of a township, to which the budget commission has allotted a share of the local government fund under section 5747.51 of the Revised Code or of the public library and local government support fund under section 5707.051 of the Revised Code.

(G) The taxing authority of a school district issuing securities under division (A), (C), or (D) of this section shall in the legislation authorizing the securities affirm the levy of, or covenant to levy, the anticipated property taxes to be collected in the following year.

(H) The taxing authority of a school district may issue securities authorized by this section on or after the tenth day preceding the first day of the fiscal year for which the revenues are anticipated; provided, that if the taxing authority of a school district issues securities authorized by this section prior to the first day of the fiscal year for which the revenues are anticipated:

(1) None of the proceeds received by the school district from the sale of the securities shall be considered available for appropriation prior to the first day of the fiscal year for which the revenues are anticipated; and

(2) None of the proceeds received by the school district from the sale of the securities shall be expended prior to the first day of the fiscal year for which the revenues are anticipated.

Sec. 135.35. (A) The investing authority shall deposit or invest any part or all of the county's inactive moneys and shall invest all of the money in the

county public library and local government support fund when required by section 135.352 of the Revised Code. The following classifications of securities and obligations are eligible for such deposit or investment:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury, any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

Nothing in the classification of eligible securities and obligations set forth in divisions (A)(2) to (11) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in any eligible institution mentioned in section 135.32 of the Revised Code;

(4) Bonds and other obligations of this state or the political subdivisions of this state, provided that such political subdivisions are located wholly or partly within the same county as the investing authority;

(5) No-load money market mutual funds consisting exclusively of obligations described in division (A)(1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.32 of the Revised Code;

(6) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code;

(7) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the federal reserve system or federal home loan bank or with any recognized United States government securities dealer meeting the description in division (J)(1) of this section, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.

Securities and cash received as collateral for a securities lending agreement are not inactive moneys of the county or moneys of a county public library and local government support fund. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in instruments specified by the investing authority in the written investment policy described in division (K) of this section.

(8) Up to twenty-five per cent of the county's total average portfolio in either of the following investments:

(a) Commercial paper notes issued by an entity that is defined in division (D) of section 1705.01 of the Revised Code and that has assets exceeding five hundred million dollars, to which notes all of the following apply:

(i) The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized standard rating services.

(ii) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(iii) The notes mature not later than two hundred seventy days after purchase.

(b) Bankers acceptances of banks that are insured by the federal deposit insurance corporation and to which both of the following apply:

(i) The obligations are eligible for purchase by the federal reserve system.

(ii) The obligations mature not later than one hundred eighty days after purchase.

No investment shall be made pursuant to division (A)(8) of this section unless the investing authority has completed additional training for making the investments authorized by division (A)(8) of this section. The type and amount of additional training shall be approved by the auditor of state and may be conducted by or provided under the supervision of the auditor of state.

(9) Up to fifteen per cent of the county's total average portfolio in notes issued by corporations that are incorporated under the laws of the United States and that are operating within the United States, or by depository institutions that are doing business under authority granted by the United States or any state and that are operating within the United States, provided both of the following apply:

(a) The notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of

purchase.

(b) The notes mature not later than two years after purchase.

(10) No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service and consisting exclusively of obligations described in division (A)(1), (2), or (6) of section 135.143 of the Revised Code;

(11) Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds. The investments made under division (A)(11) of this section shall not exceed in the aggregate one per cent of a county's total average portfolio.

The investing authority shall invest under division (A)(11) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, there is no prior history of default, and the debt interest matures not later than five years after purchase. For purposes of division (A)(11) of this section, a debt interest is rated in the three highest categories by two nationally recognized standard rating services if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, at the time of purchase in the three highest categories by two nationally recognized standard rating services.

(B) Nothing in the classifications of eligible obligations and securities set forth in divisions (A)(1) to (11) of this section shall be construed to authorize investment in a derivative, and no investing authority shall invest any county inactive moneys or any moneys in a county public library ~~and local government support~~ fund in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (A)(1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years. A treasury inflation-protected security shall not be considered a derivative, provided the security matures not later than five years after purchase.

(C) Except as provided in division (D) of this section, any investment made pursuant to this section must mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the county or to a specific obligation or debt of a political subdivision of this state located wholly or partly within the county, and the investment is specifically approved by the investment advisory committee.

(D) The investing authority may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.32 of the Revised Code or any eligible securities dealer pursuant to division (J) of this section, under the terms of which agreement the investing authority purchases and the eligible institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions (B)(1) to (5), except letters of credit described in division (B)(2), of section 135.18 of the Revised Code. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement must exceed the principal value of the overnight written repurchase agreement, by at least two per cent. A written repurchase agreement shall not exceed thirty days, and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this division shall be delivered into the custody of the investing authority or the qualified custodian of the investing authority or an agent designated by the investing authority. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

No investing authority shall enter into a written repurchase agreement under the terms of which the investing authority agrees to sell securities owned by the county to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.

(E) No investing authority shall make an investment under this section, unless the investing authority, at the time of making the investment, reasonably expects that the investment can be held until its maturity. The investing authority's written investment policy shall specify the conditions

under which an investment may be redeemed or sold prior to maturity.

(F) No investing authority shall pay a county's inactive moneys or moneys of a county public library ~~and local government support~~ fund into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established by the subdivision, treasurer, governing board, or investing authority for the purpose of investing or depositing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:

(1) The Ohio subdivision's fund pursuant to division (A)(6) of this section;

(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.

For purposes of division (F) of this section, "subdivision" includes a county.

(G) The use of leverage, in which the county uses its current investment assets as collateral for the purpose of purchasing other assets, is prohibited. The issuance of taxable notes for the purpose of arbitrage is prohibited. Contracting to sell securities not owned by the county, for the purpose of purchasing such securities on the speculation that bond prices will decline, is prohibited.

(H) Any securities, certificates of deposit, deposit accounts, or any other documents evidencing deposits or investments made under authority of this section shall be issued in the name of the county with the county treasurer or investing authority as the designated payee. If any such deposits or investments are registrable either as to principal or interest, or both, they shall be registered in the name of the treasurer.

(I) The investing authority shall be responsible for the safekeeping of all documents evidencing a deposit or investment acquired under this section, including, but not limited to, safekeeping receipts evidencing securities deposited with a qualified trustee, as provided in section 135.37 of the Revised Code, and documents confirming the purchase of securities under any repurchase agreement under this section shall be deposited with a qualified trustee, provided, however, that the qualified trustee shall be required to report to the investing authority, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the county for the

current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the investing authority.

Upon the expiration of the term of office of an investing authority or in the event of a vacancy in the office for any reason, the officer or the officer's legal representative shall transfer and deliver to the officer's successor all documents mentioned in this division for which the officer has been responsible for safekeeping. For all such documents transferred and delivered, the officer shall be credited with, and the officer's successor shall be charged with, the amount of moneys evidenced by such documents.

(J)(1) All investments, except for investments in securities described in divisions (A)(5) and (6) of this section, shall be made only through a member of the national association of securities dealers, through a bank, savings bank, or savings and loan association regulated by the superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

(2) Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

(K)(1) Except as otherwise provided in division (K)(2) of this section, no investing authority shall make an investment or deposit under this section, unless there is on file with the auditor of state a written investment policy approved by the investing authority. The policy shall require that all entities conducting investment business with the investing authority shall sign the investment policy of that investing authority. All brokers, dealers, and financial institutions, described in division (J)(1) of this section, initiating transactions with the investing authority by giving advice or making investment recommendations shall sign the investing authority's investment policy thereby acknowledging their agreement to abide by the policy's contents. All brokers, dealers, and financial institutions, described in division (J)(1) of this section, executing transactions initiated by the investing authority, having read the policy's contents, shall sign the investment policy thereby acknowledging their comprehension and receipt.

(2) If a written investment policy described in division (K)(1) of this section is not filed on behalf of the county with the auditor of state, the investing authority of that county shall invest the county's inactive moneys

and moneys of the county ~~public library and local government support~~ fund only in time certificates of deposits or savings or deposit accounts pursuant to division (A)(3) of this section, no-load money market mutual funds pursuant to division (A)(5) of this section, or the Ohio subdivision's fund pursuant to division (A)(6) of this section.

(L)(1) The investing authority shall establish and maintain an inventory of all obligations and securities acquired by the investing authority pursuant to this section. The inventory shall include a description of each obligation or security, including type, cost, par value, maturity date, settlement date, and any coupon rate.

(2) The investing authority shall also keep a complete record of all purchases and sales of the obligations and securities made pursuant to this section.

(3) The investing authority shall maintain a monthly portfolio report and issue a copy of the monthly portfolio report describing such investments to the county investment advisory committee, detailing the current inventory of all obligations and securities, all transactions during the month that affected the inventory, any income received from the obligations and securities, and any investment expenses paid, and stating the names of any persons effecting transactions on behalf of the investing authority.

(4) The monthly portfolio report shall be a public record and available for inspection under section 149.43 of the Revised Code.

(5) The inventory and the monthly portfolio report shall be filed with the board of county commissioners.

(M) An investing authority may enter into a written investment or deposit agreement that includes a provision under which the parties agree to submit to nonbinding arbitration to settle any controversy that may arise out of the agreement, including any controversy pertaining to losses of public moneys resulting from investment or deposit. The arbitration provision shall be set forth entirely in the agreement, and the agreement shall include a conspicuous notice to the parties that any party to the arbitration may apply to the court of common pleas of the county in which the arbitration was held for an order to vacate, modify, or correct the award. Any such party may also apply to the court for an order to change venue to a court of common pleas located more than one hundred miles from the county in which the investing authority is located.

For purposes of this division, "investment or deposit agreement" means any agreement between an investing authority and a person, under which agreement the person agrees to invest, deposit, or otherwise manage, on behalf of the investing authority, a county's inactive moneys or moneys in a

county public library ~~and local government support~~ fund, or agrees to provide investment advice to the investing authority.

(N) An investment held in the county portfolio on September 27, 1996, that was a legal investment under the law as it existed before September 27, 1996, may be held until maturity, or if the investment does not have a maturity date the investment may be held until five years from September 27, 1996, regardless of whether the investment would qualify as a legal investment under the terms of this section as amended.

Sec. 135.352. The investment authority shall invest all moneys in the county public library ~~and local government support~~ fund that are not distributed due to an appeal of the budget commission's allocation of such fund. Interest earned on such investments shall be credited to the fund and distributed in accordance with section 5747.48 of the Revised Code.

Sec. 149.411. There is hereby created in each county free public library, municipal free public library, township free public library, school district free public library as described in section 3375.15 of the Revised Code, county library district, and regional library district a library records commission composed of the members and the ~~clerk~~ fiscal officer of the board of library trustees of the appropriate public library or library district. The commission shall meet at least once every twelve months.

The functions of the commission shall be to review applications for one-time disposal of obsolete records and schedules of records retention and disposition submitted by any employee of the library. The commission may dispose of records pursuant to the procedure outlined in this section. The commission at any time may review any schedule it has previously approved and for good cause shown may revise that schedule.

When the appropriate library records commission has approved any library application for one-time disposal of obsolete records or any schedule of records retention and disposition, the commission shall send that application or schedule to the Ohio historical society for its review. The Ohio historical society shall review the application or schedule within a period of not more than sixty days after its receipt of it. Upon completion of its review, the Ohio historical society shall forward the application for one-time disposal of obsolete records or the schedule of records retention and disposition to the auditor of state for the auditor's approval or disapproval. The auditor shall approve or disapprove the application or schedule within a period of not more than sixty days after receipt of it. Before public records are to be disposed of, the commission shall inform the Ohio historical society of the disposal through the submission of a certificate of records disposal and shall give the society the opportunity for a period of

fifteen business days to select for its custody those public records that it considers to be of continuing historical value. The Ohio historical society may not review or select for its custody any records pursuant to section 149.432 of the Revised Code.

Sec. 321.08. The county treasurer shall enter on ~~his~~ the treasurer's account each day the money received for advance payments of taxes and taxes charged on the general and special duplicates of the current year in the following manner:

(A) Collections of estate tax to be credited to the "undivided estate tax fund;"

(B) Collections of classified property taxes, including interest and penalties thereon, shall be credited to the county public library ~~and local government support~~ fund and distributed in accordance with section 5747.48 of the Revised Code;

(C) Collections of other taxes and assessments of whatever kind to be credited to the undivided general tax fund.

Sec. 3375.05. The board of trustees of any public library receiving money from a county's public library ~~and local government support~~ fund that desires to render public library service by means of branches, library stations, or traveling library service to the inhabitants of any school district, other than a school district situated within the territorial boundaries of the subdivision or district over which said board has jurisdiction of free public library service, may make application to the state library board, upon forms provided by said board, for the establishment of such service. Said application shall set forth the total number of people being served by said library on the date of said application; an inventory of the books owned by said library; the number of branches, library stations, and traveling library service maintained by said library on the date of said application; the number and classification of the employees of said library and such other information as the state library board deems pertinent. Such application shall be accompanied by a financial statement of the library making the application covering the two fiscal years next preceding the date of said application. Upon receipt of said application by the state library board, the state librarian, or an employee of the state library board designated by such librarian, shall visit the library making the application for the purpose of determining whether or not the establishment of branches, library stations, or traveling library service as requested in said application will promote better library service in the district covered by said application. Upon the completion of such inspection, the librarian, or the person designated by the librarian to make such inspection, shall prepare a written report setting forth

~~his~~ the librarian's or designee's recommendations pertaining to the establishment of the branches, stations, or traveling library service as set forth in the application. Such report shall be submitted to the state library board within ninety days after the receipt of such application by the state library board. Within thirty days after such report has been filed with the state library board, said board shall either approve or disapprove, in whole or in part, the establishment of branches, library stations, or traveling library service as requested in said application. The decision of the state library board shall be final. Within ten days after final action has been taken by the state library board, upon such application, the librarian shall notify in writing the board of trustees of the public library making such application of the decision of the state library board.

The state library board may withdraw its approval of library service rendered by any library to the inhabitants of a school district other than the school district in which the main library of such library is located. At least thirty days before the approval of such service may be withdrawn, the state library board shall give written notice to the board of trustees of the library rendering the service and the board of education of the school district to which such service is being rendered. Such notice shall set forth the reasons for the withdrawal of the approval of such service. If the board of trustees of the library rendering such service, or the board of education of a school district to which such service is being rendered, objects to the withdrawal of such approval it may, within twenty days of the receipt of such notice, request, in writing, the state library board to hold a hearing for the purpose of hearing protests to the withdrawal of such approval. Upon the receipt of such request, the state library board shall set the time and place of such hearing which shall be held within the territorial boundaries of the school district being served by the branch, station, or traveling library service whose continued operation is in question. Such hearing shall be held not less than thirty days after the receipt by the state library board of the request for such hearing. The state library board shall take no action on the withdrawal of approval of such service until after the holding of such hearing. The decision of the state library board shall be final.

Sec. 3375.121. (A) In any municipal corporation, not located in a county library district, which has a population of not less than twenty-five thousand, and within which there is not located a main library of a township, municipal, school district, association, or county free public library, a library district may be created by a resolution adopted by the legislative authority of that municipal corporation. No such resolution shall be adopted after one year from June 20, 1977. Upon the adoption of such a resolution, any

branches of an existing library that are located in that municipal corporation shall become the property of the municipal library district created.

The municipal corporation and the board of trustees of the public library maintaining any existing branches in that municipal corporation shall forthwith take appropriate action transferring all title and interest in all real and personal property located in that municipal corporation in the name of the library district maintaining those branches in that municipal corporation to the municipal corporation adopting the appropriate resolution. Upon transfer of all title and interest in that property, the branches shall become a part of, and be operated by, the board of library trustees appointed by the mayor.

(B) In any municipal corporation that has a population of less than twenty-five thousand and that has not less than one hundred thousand dollars available from a bequest for the establishment of a municipal library, the legislative authority of that municipal corporation may adopt, within one year after June 20, 1977, a resolution creating a library district. Upon the establishment of any such library district, the board of trustees of any library operating a branch library in that municipal corporation shall not be required to transfer any property to the newly established library.

(C) The board of library trustees of any library district created under this section shall be composed of six members. Those trustees shall be appointed by the mayor, to serve without compensation, for a term of four years. In the first instance, three of those trustees shall be appointed for a term of two years, and three of them shall be appointed for a term of four years. Vacancies shall be filled by like appointment for the unexpired term. A library district created under this section shall be governed in accordance with and exercise the authority provided for in sections 3375.32 to 3375.41 of the Revised Code.

Notwithstanding any contrary provision of section 3.24 of the Revised Code, the president of a board of township trustees may administer the oath of office to a person or persons representing the township on the board of library trustees of any library district created under this section, even if the geographical limits of the library district do not fall within the geographical limits of the township.

(D) Any library district created under this section is eligible to participate in the proceeds of the county public library and local government support fund in accordance with section 5705.28 of the Revised Code.

(E) A municipal corporation may establish and operate a free public library regardless of whether the municipal corporation is located in a county library district or school library district, if all of the following

conditions are met:

(1) The facility in which the library is principally located is transferred to the municipal corporation from the county library district or school library district in which it is located prior to January 1, 1996.

(2) The population of the municipal corporation is less than five hundred when the library is transferred from the county library district or school library district to the municipal corporation.

(3) The municipal corporation does not establish a municipal library district under this section.

(4) The library does not receive any proceeds from the county public library and local government support fund under section 5747.48 of the Revised Code.

Sec. 3375.32. Each board of library trustees appointed pursuant to sections 3375.06, 3375.10, 3375.12, 3375.15, 3375.22 and 3375.30, of the Revised Code shall meet in January of each year and organize by selecting from its membership a president, a vice-president, and a secretary who shall serve for a term of one year. At the same meeting each board shall elect and fix the compensation of a ~~clerk~~ fiscal officer, who may be a member of the board, and who shall serve for a term of one year. The ~~clerk~~ fiscal officer, before entering upon ~~his~~ official duties, shall execute a bond in an amount and with surety to be approved by the board, payable to the board, and conditioned for the faithful performance of the official duties required of ~~him~~ the fiscal officer.

Sec. 3375.35. Each board of library trustees appointed pursuant to sections 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, and 3375.30 of the Revised Code shall, in the exercise of the powers conferred upon it, be governed by this section. For the purpose of transacting any business a quorum is a majority of the full membership of the board. The purchase of any real property requires a two-thirds vote of the full membership of the board making such purchase. All conveyances of real property shall be executed by the president and the secretary of the board making such conveyance. No Except as provided in section 3375.351 of the Revised Code, no moneys credited to a free public library shall be paid out except on a check signed by the ~~clerk~~ fiscal officer of the board having jurisdiction over said moneys and the president, vice-president, or secretary of said board. Each board of library trustees shall, at the end of each fiscal year, transmit on forms provided by the state library board to the state librarian and officer or board which appointed said board of library trustees a report of the activities of said board of library trustees during said year. Such report shall include a complete financial statement showing the receipts and

expenditures in detail of all library funds for the entire fiscal year made by such board of library trustees. No member of a board of library trustees shall have any pecuniary interest in any contract entered into by such board.

Sec. 3375.351. The fiscal officer of each board of library trustees appointed under section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, or 3375.30 of the Revised Code may pay the compensation of each employee of the library under the board's jurisdiction by direct deposit, as defined in section 131.01 of the Revised Code. If direct deposit is chosen as the desired form of compensation by the board of library trustees for its employees, each employee shall provide to the fiscal officer a written authorization for payment by direct deposit. The authorization shall include the designation of a financial institution equipped to accept direct deposits and the number of the account into which the deposit is to be made. The authorization shall remain in effect until withdrawn in writing by the employee or until dishonored by the financial institution.

Sec. 3375.36. The ~~clerk~~ fiscal officer of the board of library trustees of a free public library shall be the treasurer of the library funds. All moneys received by ~~such clerk~~ the fiscal officer for library purposes shall be immediately placed by ~~him~~ the fiscal officer in a depository designated by the board. ~~Such clerk~~ The fiscal officer shall keep an account of the funds credited to the board. ~~Such clerk~~ The fiscal officer shall render a statement to the board monthly showing the revenues and receipts from whatever sources derived, the disbursements and the purposes for such disbursements, and the assets and liabilities of the board. At the end of each fiscal year the ~~clerk~~ fiscal officer shall submit to the board a complete financial statement showing the receipts and expenditures in detail for the entire fiscal year. The board of library trustees of a free public library may appoint a deputy ~~clerk~~ fiscal officer, for a term of one year, and may authorize such deputy to receive and disburse library funds. Such deputy, before entering upon ~~his~~ official duties, shall execute a bond in an amount and with surety to be approved by the board, payable to the board, and conditioned for the faithful performance of the official duties required of ~~him~~ the deputy.

Sec. 3375.37. Before giving the ~~clerk~~ fiscal officer of a board of library trustees of a free public library a warrant for funds due such board, the county auditor shall require the ~~clerk~~ fiscal officer to file with ~~him~~ the auditor a statement showing the amount of funds on hand, available for expenditure by the board, according to the books of the ~~clerk~~ fiscal officer and the books of the depository designated by the board. Such statement shall indicate that the ~~clerk's~~ fiscal officer's books are in exact balance with the depository accounts and shall be certified to by the ~~clerk~~ fiscal officer

and proper officer of the depository.

Sec. 3375.38. All the duties required of the county auditor, county treasurer, or other officer or person relating to the moneys to the credit of or to be credited to a board of library trustees of a free public library shall be complied with by dealing with the ~~clerk~~ fiscal officer of such board.

Sec. 3375.39. At the expiration of the term of a ~~clerk~~ fiscal officer of a board of library trustees of a free public library or before such board approves the surety of any ~~clerk~~ fiscal officer, such board shall require the ~~clerk~~ fiscal officer to produce all money, bonds, or other securities in ~~his~~ the fiscal officer's hands, which shall then be counted by the board or a committee of the board, or by a representative of the auditor of state. A certificate setting forth the exact amount of such money, bonds, or other securities and signed by the representatives making such count shall be entered upon the records of the board and shall be prima-facie evidence that the amount stated in such certificate is actually in the treasury at that date.

Sec. 3375.40. Each board of library trustees appointed pursuant to section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, or 3375.30 of the Revised Code may do the following:

(A) Hold title to and have the custody of all real and personal property of the free public library under its jurisdiction;

(B) Expend for library purposes, and in the exercise of the power enumerated in this section, all moneys, whether derived from the county public library ~~and local government support~~ fund or otherwise, credited to the free public library under its jurisdiction and generally do all things it considers necessary for the establishment, maintenance, and improvement of the free public library under its jurisdiction;

(C) Purchase, lease, construct, remodel, renovate, or otherwise improve, equip, and furnish buildings or parts of buildings and other real property, and purchase, lease, or otherwise acquire motor vehicles and other personal property, necessary for the proper maintenance and operation of the free public library under its jurisdiction, and pay their costs in installments or otherwise. Financing of these costs may be provided through the issuance of notes, through an installment sale, or through a lease-purchase agreement. Any such notes shall be issued pursuant to section 3375.404 of the Revised Code.

(D) Purchase, lease, lease with an option to purchase, or erect buildings or parts of buildings to be used as main libraries, branch libraries, or library stations pursuant to section 3375.41 of the Revised Code;

(E) Establish and maintain a main library, branches, library stations, and traveling library service within the territorial boundaries of the political

subdivision or district over which it has jurisdiction of free public library service;

(F) Except as otherwise provided in this division, establish and maintain branches, library stations, and traveling library service in any school district, outside the territorial boundaries of the political subdivision or district over which it has jurisdiction of free public library service, upon application to and approval of the state library board, pursuant to section 3375.05 of the Revised Code. The board of library trustees of any free public library maintaining branches, stations, or traveling library service, outside the territorial boundaries of the political subdivision or district over which it has jurisdiction of free public library service, on September 4, 1947, may continue to maintain and operate those branches, those stations, and that traveling library service without the approval of the state library board.

(G) Appoint and fix the compensation of all of the employees of the free public library under its jurisdiction, pay the reasonable cost of tuition for any of its employees who enroll in a course of study the board considers essential to the duties of the employee or to the improvement of the employee's performance, and reimburse applicants for employment for any reasonable expenses they incur by appearing for a personal interview;

(H) Make and publish rules for the proper operation and management of the free public library and facilities under its jurisdiction, including rules pertaining to the provision of library services to individuals, corporations, or institutions that are not inhabitants of the county;

(I) Assess uniform fees for the provision of services to patrons of the library, but no fee shall be assessed for the circulation of printed materials held by the library except for the assessment of fines for materials not returned in accordance with the board's rules;

(J) Establish and maintain a museum in connection with and as an adjunct to the free public library under its jurisdiction;

(K) By the adoption of a resolution, accept any bequest, gift, or endowment upon the conditions connected with the bequest, gift, or endowment. No such bequest, gift, or endowment shall be accepted by the board if its conditions remove any portion of the free public library under the board's jurisdiction from the control of the board or if the conditions, in any manner, limit the free use of the library or any part of it by the residents of the counties in which the library is located.

(L) At the end of any fiscal year, by a two-thirds vote of its full membership, set aside any unencumbered surplus remaining in the general fund of the free public library under its jurisdiction for any purpose, including creating or increasing a special building and repair fund, or for

operating the library or acquiring equipment and supplies;

(M) Procure and pay all or part of the cost of group term life, hospitalization, surgical, major medical, disability benefit, dental care, eye care, hearing aids, or prescription drug insurance or coverage, or a combination of any of those types of insurance or coverage, whether issued by an insurance company or a health insuring corporation duly licensed by the state, covering its employees, and, in the case of group term life, hospitalization, surgical, major medical, dental care, eye care, hearing aids, or prescription drug insurance or coverage, also covering the dependents and spouses of its employees, and, in the case of disability benefits, also covering the spouses of its employees.

(N) Pay reasonable dues and expenses for the free public library and library trustees in library associations.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

Sec. 3375.404. (A) As used in this chapter:

(1) "Anticipation notes" means notes issued in anticipation of the library fund library facilities notes authorized by this section.

(2) "Authorizing proceedings" means the resolution, legislation, trust agreement, certification and other agreements, instruments, and documents, as amended and supplemented, authorizing, or providing for the security or sale or award of, notes, and includes the provisions set forth or incorporated in those notes and proceedings.

(3) "Board" or "board of library trustees" means the board of library trustees appointed pursuant to sections 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, and 3375.30 of the Revised Code.

(4) "Library fund" means the public library ~~and local government support~~ fund provided for in Chapter 5747. of the Revised Code or any successor to that fund.

(5) "Note service charges" means principal, including any mandatory sinking fund or redemption requirements for retirement of notes, interest, and any redemption premium payable on notes.

(6) "Notes" means the library fund library facilities notes authorized by this section, including anticipation notes.

(7) "Public library" means any of the libraries provided for in sections 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, and 3375.30 of the Revised Code.

(8) "Refunding notes" means notes issued to provide for the refunding of the notes, or of obligations issued prior to the effective date of this

section, collectively referred to in this section as refunded obligations.

(B) A board of library trustees of a public library that receives an allocation of the library fund pursuant to section 5705.32 and Chapter 5747. of the Revised Code may anticipate its portion of the proceeds of the library fund distribution and issue library fund library facilities notes of the public library in the principal amount necessary to pay the costs of financing the facilities or other property referred to in division (C) of section 3375.40 of the Revised Code, or to refund any refunded obligations, provided that the board projects annual note service charges on the notes, or on the notes being anticipated by anticipation notes, to be capable of being paid from the annual library fund receipts of the public library. The maximum aggregate amount of notes that may be outstanding at any time in accordance with their terms upon issuance of the new notes shall not exceed an amount which requires or is estimated to require payments from library fund receipts of note service charges on the notes, or, in the case of anticipation notes, projected note service charges on the notes anticipated, in any calendar year in an amount exceeding thirty per cent of the average of the library fund receipts of the public library for the two calendar years prior to the year in which the notes are issued. A board may at any time issue renewal anticipation notes, issue notes to pay renewal anticipation notes, and, if it considers refunding expedient, issue refunding notes whether the refunded obligations have or have not matured. The refunding notes shall be sold and the proceeds needed for such purpose applied in the manner provided in the authorizing proceedings of the board.

(C) Every issue of notes outstanding in accordance with their terms shall be payable out of the money received by the public library from the library fund or proceeds of notes, renewal anticipation notes, or refunding notes which may be pledged for such payment in the authorizing proceedings. The pledge shall be valid and binding from the time the pledge is made, and the library fund receipts and proceeds so pledged and thereafter received by the board shall immediately be subject to the lien of that pledge without any physical delivery of the library fund receipts or proceeds or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the board, whether or not such parties have notice of the lien. Neither the resolution nor any trust agreement by which a pledge is created or further evidenced need be filed or recorded except in the board's records.

(D) Notes issued under this section do not constitute a debt, or a pledge of the faith and credit, of the state, the public library, or any other political subdivision of the state, and the holders or owners of the notes have no right

to have taxes levied by the general assembly or by the taxing authority of any political subdivision of the state, including the board of the public library, for the payment of note service charges. Notes are payable solely from the funds pledged for their payment as authorized by this section. All notes shall contain on their face a statement to the effect that the notes, as to note service charges, are not debts or obligations of the state and are not debts of any political subdivision of the state, but are payable solely from the funds pledged for their payment. The utilization and pledge of the library fund receipts and proceeds of notes, renewal anticipation notes, or refunding notes for the payment of note service charges is determined by the general assembly to create a special obligation which is not a bonded indebtedness subject to Section 11 of Article XII, Ohio Constitution, or, alternatively, to satisfy any applicable requirement of that Section 11.

(E) The notes shall bear such date or dates, shall be executed in the manner, and shall mature at such time or times, in the case of any anticipation notes not exceeding ten years from the date of issue of the original anticipation notes and in the case of any notes that are not anticipation notes or of any refunding notes, not exceeding twenty-five years from the date of the original issue of notes, or other obligations for the purpose, all as the authorizing proceedings may provide. The notes shall bear interest at such rates, or at variable rate or rates changing from time to time, in accordance with provisions provided in the authorizing proceedings, be in such denominations and form, either coupon or registered, carry such registration privileges, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption, as the board may authorize or provide. The notes may be sold at public or private sale, and at, or at not less than, the price or prices as the board determines. If any officer whose signature or a facsimile of whose signature appears on any notes or coupons ceases to be such officer before delivery of the notes or anticipation notes, the signature or facsimile shall nevertheless be sufficient for all purposes as if that officer had remained in office until delivery of the notes. Whether or not the notes are of such form and character as to be negotiable instruments under Title XIII of the Revised Code, the notes shall have all the qualities and incidents of negotiable instruments, subject only to any provisions for registration. Neither the members of the board nor any person executing the notes shall be liable personally on the notes or be subject to any personal liability or accountability by reason of their issuance.

(F) Notwithstanding any other provision of this section, sections 9.98 to 9.983, 133.02, 133.70, and 5709.76, and division (A) of section 133.03 of the Revised Code apply to the notes. Notes issued under this section need

not comply with any other law applicable to notes or bonds but the authorizing proceedings may provide that divisions (B) through (E) of section 133.25 of the Revised Code apply to the notes or anticipation notes.

(G) Any authorizing proceedings may contain provisions, subject to any agreements with holders as may then exist, which shall be a part of the contract with the holders, as to the pledging of any or all of the board's anticipated library fund receipts to secure the payment of the notes; the use and disposition of the library fund receipts of the boards; the crediting of the proceeds of the sale of notes to and among the funds referred to or provided for in the authorizing proceedings; limitations on the purpose to which the proceeds of the notes may be applied and the pledging of portions of such proceeds to secure the payment of the notes or of anticipation notes; the agreement of the board to do all things necessary for the authorization, issuance, and sale of those notes anticipated in such amounts as may be necessary for the timely payment of note service charges on any anticipation notes; limitations on the issuance of additional notes; the terms upon which additional notes may be issued and secured; the refunding of refunded obligations; the procedure by which the terms of any contract with holders may be amended, and the manner in which any required consent to amend may be given; securing any notes by a trust agreement or other agreement which may provide for notes or refunding notes to be further secured by a mortgage on the property financed with the proceeds of the notes, anticipation notes, or refunded obligations refunded by refunding notes; and any other matters, of like or different character, that in any way affect the security or protection of the notes or anticipation notes.

Sec. 3375.41. When a board of library trustees appointed pursuant to section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, or 3375.30 of the Revised Code determines to construct, demolish, alter, repair, or reconstruct a library or make any improvements or repairs, the cost of which will exceed twenty-five thousand dollars, except in cases of urgent necessity or for the security and protection of library property, it shall proceed as follows:

(A) The board shall advertise for a period of ~~four~~ two weeks for sealed bids in some newspaper of general circulation in the district, and, if there are two such newspapers, the board shall advertise in both of them. If no newspaper has a general circulation in the district, the board shall post the advertisement in three public places in the district. The advertisement shall be entered in full by the ~~clerk~~ fiscal officer on the record of proceedings of the board.

(B) The sealed bids shall be filed with the ~~clerk~~ fiscal officer by twelve

noon of the last day stated in the advertisement.

(C) The sealed bids shall be opened at the next meeting of the board, shall be publicly read by the ~~clerk~~ fiscal officer, and shall be entered in full on the records of the board; provided that the board, by resolution, may provide for the public opening and reading of the bids by the ~~clerk~~ fiscal officer, immediately after the time for their filing ~~the~~ has expired, at the usual place of meeting of the board, and for the tabulation of the bids and a report of the tabulation to the board at its next meeting.

(D) Each sealed bid shall contain the name of every person interested in it and shall meet the requirements of section 153.54 of the Revised Code.

(E) When both labor and materials are embraced in the work bid for, the board may require that each be separately stated in the sealed bid, with their price ~~of each~~, or may require that bids be submitted without ~~that~~ the separation.

(F) None but the lowest responsible bid shall be accepted. The board may reject all the bids or accept any bid for both labor and material for the improvement or repair which is the lowest in the aggregate.

(G) The contract shall be between the board and the bidders. The board shall pay the contract price for the work in cash at the times and in the amounts as provided by sections 153.12, 153.13, and 153.14 of the Revised Code.

(H) When two or more bids are equal, in whole or in part, and are lower than any others, either may be accepted, but in no case shall the work be divided between these bidders.

(I) When there is reason to believe there is collusion or combination among the bidders, the bids of those concerned in the collusion or combination shall be rejected.

Sec. 3375.42. The board of county commissioners of any county, the board of education of any school district, the legislative authority of any municipal corporation, or the board of township trustees of any township may contract with the board of library trustees of any public library, or with any private corporation or library association maintaining a free public library prior to September 4, 1947, situated within or without the taxing district, to furnish library service to all the inhabitants of said taxing district, notwithstanding the fact that such library is receiving proceeds from the county public library ~~and local government support~~ fund, and may levy a tax, or make an appropriation from its general fund or from federal funds, to be expended by such library in providing library service in said taxing district for any of the purposes specified in section 3375.40 of the Revised Code. The taxing authority may require an annual report in writing from

such board of library trustees, private corporation, or library association. When a tax for library purposes has been so levied, at each semiannual collection of such tax the county auditor shall certify the amount collected to the proper officer of the taxing district who shall forthwith draw ~~his~~ a warrant for such amount on the treasurer of such district payable to the proper officer of such library.

Sec. 3375.64. (A) There is hereby established the Ohio public library information network, as an independent agency within the state library of Ohio, for the purpose of ensuring equity of access to electronic information for all residents of this state, subject to the restrictions described in division (C) of this section on access to materials or performances that may be obscene or harmful to juveniles. The network shall be governed by the board of trustees created under section 3375.65 of the Revised Code.

(B)(1) Except as provided in division (B)(2) of this section, any board of library trustees appointed under section 1713.28, 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, 3375.30, or 3375.90 of the Revised Code may participate in the network by providing notice in writing to the network board of trustees.

(2) A board of library trustees participating in the network authorized under Section 323.10 of H.B. 119 of the 127th general assembly is a participant in the network established by division (A) of this section unless its participation is otherwise terminated.

(C) A library board of trustees participating in the network established under division (A) of this section shall comply with any policies the network board of trustees may adopt. The network board shall adopt a policy that requires each participant to establish and enforce procedures designed to keep juveniles who use the participant's services from having access to materials or performances that may be obscene or harmful to juveniles and to keep persons who are not juveniles and who use the participant's services from having access to materials or performances that may be obscene. If a participant does not establish and enforce such procedures, the network board shall terminate the participant's participation in the network. As used in this division, "juveniles," "materials," "performances," "obscene," and "harmful to juveniles" have the same meanings as in section 2907.01 of the Revised Code.

Sec. 3375.65. (A) There is hereby created the Ohio public library information network board of trustees, which shall be the governing board of the Ohio public library information network. The board shall consist of all of the following members:

(1) The state librarian, who shall serve as a nonvoting member;

(2) The eleven members of the Ohio public library information network board authorized under Section 323.10 of H.B. 119 of the 127th general assembly who are serving on such board on the effective date of this section. These continuing members shall serve staggered terms, with three terms expiring on June 30, 2008, four terms expiring on June 30, 2009, and four terms expiring on June 30, 2010. (At their first meeting after the effective date of this section, the voting members of the board shall draw lots to determine when their terms end.) Thereafter, terms of office for all voting members shall be three years, with each term ending on the same day of the same month as did the term that it succeeds. The state library board shall fill a vacancy among the voting members of the board by selecting an appointee from among the staff of public libraries and past and present members of boards of trustees of public libraries, based on the recommendations of the library community of this state. A member of the board may be reappointed, but no member shall serve more than two terms, provided that service for a partial term of one year or less shall not be counted toward the two-term limitation. A member appointed to fill a vacancy occurring prior to the expiration of the predecessor's term shall hold office for the remainder of that term. A member may continue in office subsequent to the expiration of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.

(B) Members of the board shall receive their actual and necessary expenses incurred in the performance of their duties as board members.

(C) The board shall meet at least quarterly and hold such additional meetings as are necessary to carry out the board's duties under sections 3375.64, 3375.66, and 3375.67 of the Revised Code. Additional meetings may be called in accordance with bylaws adopted by the board.

Sec. 3375.66. (A) To fulfill the network purpose under section 3375.64 of the Revised Code, the board of trustees of the Ohio public library information network shall do all of the following:

(1) Employ and fix the compensation of an executive director of the network and such other personnel as are necessary to carry out this section and sections 3375.64 and 3375.67 of the Revised Code. The board may designate positions in the unclassified civil service for which it may employ persons.

(2) Develop plans of service and operation for the Ohio public library information network in consultation with the state library of Ohio;

(3) Have exclusive control of the expenditure of all money held in the name of the network;

(4) Adopt bylaws for the governance of the network and for calling and

conducting the board's meetings:

(5) Appoint the state library of Ohio as the board's fiscal agent. When so appointed, the state library shall serve as fiscal agent and shall provide all of the following services:

(a) Prepare and process payroll and other personnel documents that the board approves;

(b) Maintain ledgers of accounts and reports of account balances, and monitor budgets and allotment plans in consultation with the board;

(c) Provide purchasing services to facilitate the purchase of property approved by the board;

(d) Deposit revenues received on behalf of the board into the accounts maintained by the board;

(e) Perform other routine support services that the state librarian or the state librarian's designee and the board or the board's designee consider appropriate to achieve efficiency.

(B) The board of trustees may do any of the following:

(1) Enter into contracts or agreements for the purposes of this section and section 3375.64 of the Revised Code;

(2) Receive grants, payments, bequests, and gifts on behalf of the network;

(3) Expend, for the network purpose under section 3375.64 of the Revised Code, and in the exercise of the powers enumerated in this section, all money received as grants, payments, gifts, bequests, or otherwise, and generally do all things the board determines necessary for the establishment, maintenance, and improvement of the network;

(4) Purchase, lease, or otherwise acquire vehicles and other personal property for the maintenance and operation of the network;

(5) Purchase, erect, lease, lease with an option to purchase, appropriate, or otherwise improve, equip, and furnish buildings or parts of buildings and other real property for use by the network;

(6) Hold title to and have custody of property, both real and personal, of the network.

Sec. 3375.67. If the need for the Ohio public library information network ceases to exist, the network board of trustees, by a two-thirds vote of its members, may declare its intention to dissolve the network and file with the state library board a plan for effecting such dissolution.

Sec. 3375.85. An interstate library district lying partly within this state may claim and be entitled to receive state aid, other than aid from the public library and local government support fund, in support of any of its functions to the same extent and in the same manner as such functions are eligible for

~~support~~ support when carried on by entities wholly within this state. For the purposes of computing and apportioning such state aid to an interstate library district, this state will consider that portion of the area which lies within this state as an independent entity for the performance of the aided function or functions and compute and apportion the aid accordingly. Any library association that was organized and operated prior to January 1, 1968, and which pursuant to the authority granted in section 3375.83 of the Revised Code, has become part of an interstate library district shall be considered a library association under section 5705.28 of the Revised Code and entitled to participate in the county public library ~~and local government support~~ fund and other public funds. Subject to any applicable laws of this state, such a district also may apply for and be entitled to receive any federal aid for which it may be eligible.

Sec. 3375.91. The board of trustees of each regional library system may:

(A) Develop plans of service and operation for the regional library system and submit these to the state library board, and to each other granting authority if and when required by such authority;

(B) Receive grants, payments, bequests, and gifts and have exclusive control of the expenditure of all moneys held in the name of the regional library system;

(C) Expend for library purposes, and in the exercise of the powers enumerated in this section, all moneys whether received as grants, payments, gifts, bequests, or otherwise, and generally do all things it determines necessary for the establishment, maintenance, and improvement of the regional library system under its jurisdiction;

(D) Make and publish such bylaws and rules as may be necessary for its operation and for the government of the regional library system;

(E) Purchase or lease vehicles and other personal property for the operation of the regional library system;

(F) Purchase, erect, lease, or lease with an option to purchase, appropriate buildings or parts of buildings for use of the regional library system;

(G) Hold title to and have the custody of all property, both real and personal, of the regional library system;

(H) Appoint and fix the compensation of a director and necessary assistants, who shall have the same employment status as employees of public libraries;

(I) Elect and fix compensation of a ~~clerk~~ fiscal officer and a deputy ~~clerk~~ fiscal officer who shall serve for a term of one year;

(J) Enter into contracts with the governing body of any participating

library organized under sections 1713.28, 3375.06, 3375.10, 3375.12, 3375.121, 3375.15, 3375.22, and 3375.30 of the Revised Code, the state library board, any granting authority, the board of county commissioners of any county, the board of education of any school district, the legislative authority of any municipal corporation, boards of township trustees, colleges, universities, or public or private agencies and corporations;

(K) Accept an application from any other library desiring to become a participating library in accordance with the agreement for the formation of the system, either as originally submitted to and approved by the state library board, or as amended by and with the agreement of all the participating libraries and the approval of the state library board.

Sec. 3375.92. The ~~clerk~~ fiscal officer of the board of trustees of the regional library system is the treasurer of the organization's funds. Before entering upon their duties, the ~~clerk~~ fiscal officer and the deputy ~~clerk~~ fiscal officer shall execute a bond in an amount and with surety to be approved by the board, and conditioned for the faithful performance of the official duties required of them.

All moneys received by the ~~clerk~~ fiscal officer shall be immediately placed by the ~~clerk~~ fiscal officer in a depository designated by the board. The ~~clerk~~ fiscal officer shall keep an account of the funds credited to the board.

The ~~clerk~~ fiscal officer shall render a monthly statement to the board showing the revenues and receipts from whatever sources derived, the disbursements and the purposes for such disbursements, and the assets and liabilities of the board. At the end of each fiscal year the ~~clerk~~ fiscal officer shall submit to the board, to the state library board and, if requested, to any granting authority, a complete financial statement showing the receipts and expenditures in detail for the entire fiscal year. Such financial records shall be open to public inspection at all reasonable times.

At the expiration of the term of the ~~clerk~~ fiscal officer or before the board of trustees approves the surety of any ~~clerk~~ fiscal officer, the board shall require the ~~clerk~~ fiscal officer to produce all moneys, bonds, or other securities in the ~~clerk's~~ fiscal officer's hands, which shall then be counted by the board or a committee of the board, or by a representative of the auditor of state. A certificate setting forth the exact amount of such money, bonds, or other securities and signed by the persons making such count shall be entered upon the records of the board and shall be prima-facie evidence that the amount stated in such certificate is actually in the treasury at that date.

Sec. 5705.28. (A) Except as provided in division (B)(1) or (2) of this section or in section 5705.281 of the Revised Code, the taxing authority of

each subdivision or other taxing unit shall adopt a tax budget for the next succeeding fiscal year:

(1) On or before the fifteenth day of January in the case of a school district;

(2) On or before the fifteenth day of July in the case of all other subdivisions and taxing units.

(B)(1) Before the first day of June in each year, the board of trustees of a school library district entitled to participate in any appropriation or revenue of a school district or to have a tax proposed by the board of education of a school district shall file with the board of education of the school district a tax budget for the ensuing fiscal year. On or before the fifteenth day of July in each year, the board of education of a school district to which a school library district tax budget was submitted under this division shall adopt such tax budget on behalf of the library district, but such budget shall not be part of the school district's tax budget.

(2)(a) The taxing authority of a taxing unit that does not levy a tax is not required to adopt a tax budget pursuant to division (A) of this section. Instead, on or before the fifteenth day of July each year, such taxing authority shall adopt an operating budget for the taxing unit for the ensuing fiscal year. The operating budget shall include an estimate of receipts from all sources, a statement of all taxing unit expenses that are anticipated to occur, and the amount required for debt charges during the fiscal year. The operating budget is not required to be filed with the county auditor or the county budget commission.

(b) Except for this section and sections 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44, and 5705.45 of the Revised Code, a taxing unit that does not levy a tax is not a taxing unit for purposes of Chapter 5705. of the Revised Code. Documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission.

(c) The total appropriations from each fund of a taxing unit that does not levy a tax shall not exceed the total estimated revenue available for expenditures from the fund, and appropriations shall be made from each fund only for the purposes for which the fund is established.

(C)(1) To assist in the preparation of the tax budget, the head of each department, board, commission, and district authority entitled to participate in any appropriation or revenue of a subdivision shall file with the taxing authority, or in the case of a municipal corporation, with its chief executive officer, before the forty-fifth day prior to the date on which the budget must be adopted, an estimate of contemplated revenue and expenditures for the

ensuing fiscal year, in such form as is prescribed by the taxing authority of the subdivision or by the auditor of state. The taxing authority shall include in its budget of expenditures the full amounts requested by district authorities, not to exceed the amount authorized by law, if such authorities may fix the amount of revenue they are to receive from the subdivision. In a municipal corporation in which a special levy for a municipal university has been authorized to be levied in excess of the ten-mill limitation, or is required by the charter of the municipal corporation, the taxing authority shall include an amount not less than the estimated yield of such levy, if such amount is requested by the board of directors of the municipal university.

(2) A county board of mental retardation and developmental disabilities may include within its estimate of contemplated revenue and expenditures a reserve balance account in the community mental retardation and developmental disabilities residential services fund. The account shall contain money that is not needed to pay for current expenses for residential services and supported living but will be needed to pay for expenses for such services in the future or may be needed for unanticipated emergency expenses. On the request of the county board of mental retardation and developmental disabilities, the board of county commissioners shall include such an account in its budget of expenditures and appropriate money to the account from residential service moneys for the county board.

(D) The board of trustees of any public library desiring to participate in the distribution of the county public library and local government support fund shall adopt appropriate rules extending the benefits of the library service of such library to all the inhabitants of the county on equal terms, unless such library service is by law available to all such inhabitants, and shall certify a copy of such rules to the taxing authority with its estimate of contemplated revenue and expenditures. Where such rules have been so certified or where the adoption of such rules is not required, the taxing authority shall include in its budget of receipts such amounts as are specified by such board as contemplated revenue from the county public library and local government support fund, and in its budget of expenditures the full amounts requested therefrom by such board. No library association, incorporated or unincorporated, is entitled to participate in the proceeds of the county public library and local government support fund ~~or other public funds~~ unless such association both was organized and operating prior to January 1, 1968, and participated in the distribution of the proceeds of the county public library fund prior to December 31, 2005.

Sec. 5705.281. (A) Notwithstanding section 5705.28 of the Revised

Code, the county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the requirement that the taxing authority of a subdivision or other taxing unit adopt a tax budget as provided under section 5705.28 of the Revised Code, but shall require such a taxing authority to provide such information to the commission as may be required by the commission to perform its duties under this chapter, including dividing the rates of each of the subdivision's or taxing unit's tax levies as provided under section 5705.04 of the Revised Code.

(B)(1) Notwithstanding divisions (B)(1) and (D) of section 5705.28 of the Revised Code, in any county in which a single library receives all of the county public library ~~and local government support~~ fund or receives all of that portion of the fund that is distributed to libraries, the county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive any or all of the following requirements:

(a) The requirement that the board of trustees of a school library district entitled to participate in any appropriation or revenue of a school district or to have a tax proposed by the board of education of a school district file with the board of education of the school district a tax budget, and the requirement that the board of education adopt the tax budget on behalf of the library district, as provided in division (B)(1) of section 5705.28 of the Revised Code;

(b) The requirement that the board of trustees of a public library desiring to participate in the distribution of the county public library ~~and local government support~~ fund certify to the taxing authority its estimate of contemplated revenue and expenditures, and the requirement that the taxing authority include in its budget of receipts and budget of expenditures the full amounts specified or requested by the board of trustees, as provided in division (D) of section 5705.28 of the Revised Code.

(2) If a county budget commission waives the requirements described in division (B)(1)(a) or (b) of this section, the commission shall require the board of trustees of the school library district or the board of trustees of the public library desiring to participate in the distribution of the county public library ~~and local government support~~ fund to provide to the commission any information the commission may require from the board in order for the commission to perform its duties under this chapter.

Sec. 5705.31. The county auditor shall present to the county budget commission the annual tax budgets submitted under sections 5705.01 to 5705.47 of the Revised Code, together with an estimate prepared by the

auditor of the amount of any state levy, the rate of any school tax levy as previously determined, the tax commissioner's estimate of the amount to be received in the county public library and local government support fund, the tax rates provided under section 5705.281 of the Revised Code if adoption of the tax budget was waived under that section, and such other information as the commission requests or the tax commissioner prescribes. The budget commission shall examine such budget and ascertain the total amount proposed to be raised in the county for the purposes of each subdivision and other taxing units in the county.

The commission shall ascertain that the following levies have been properly authorized and, if so authorized, shall approve them without modification:

(A) All levies in excess of the ten-mill limitation;

(B) All levies for debt charges not provided for by levies in excess of the ten-mill limitation, including levies necessary to pay notes issued for emergency purposes;

(C) The levies prescribed by division (B) of sections 742.33 and 742.34 of the Revised Code;

(D) Except as otherwise provided in this division, a minimum levy within the ten-mill limitation for the current expense and debt service of each subdivision or taxing unit, which shall equal two-thirds of the average levy for current expenses and debt service allotted within the fifteen-mill limitation to such subdivision or taxing unit during the last five years the fifteen-mill limitation was in effect unless such subdivision or taxing unit requests an amount requiring a lower rate. Except as provided in section 5705.312 of the Revised Code, if the levies required in divisions (B) and (C) of this section for the subdivision or taxing unit equal or exceed the entire minimum levy of the subdivision as fixed, the minimum levies of the other subdivisions or taxing units shall be reduced by the commission to provide for the levies and an operating levy for the subdivision. Such additional levy shall be deducted from the minimum levies of each of the other subdivisions or taxing units, but the operating levy for a school district shall not be reduced below a figure equivalent to forty-five per cent of the millage available within the ten-mill limitation after all the levies in divisions (B) and (C) of this section have been provided for.

If a municipal corporation and a township have entered into an annexation agreement under section 709.192 of the Revised Code in which they agree to reallocate their shares of the minimum levies established under this division and if that annexation agreement is submitted along with the annual tax budget of both the township and the municipal corporation, then,

when determining the minimum levy under this division, the auditor shall allocate, to the extent possible, the minimum levy for that municipal corporation and township in accordance with their annexation agreement.

(E) The levies prescribed by section 3709.29 of the Revised Code.

Divisions (A) to (E) of this section are mandatory, and commissions shall be without discretion to reduce such minimum levies except as provided in such divisions.

If any debt charge is omitted from the budget, the commission shall include it therein.

Sec. 5705.32. (A) The county budget commission shall adjust the estimated amounts required from the general property tax for each fund, as shown by the tax budgets or other information required to be provided under section 5705.281 of the Revised Code, so as to bring the tax levies required therefor within the limitations specified in sections 5705.01 to 5705.47 of the Revised Code, for such levies, but no levy shall be reduced below a minimum fixed by law. The commission may revise and adjust the estimate of balances and receipts from all sources for each fund and shall determine the total appropriations that may be made therefrom.

(B) The commission shall fix the amount of the county public library ~~and local government support~~ fund to be distributed to each board of public library trustees that has qualified under section 5705.28 of the Revised Code for participation in the proceeds of such fund. The amount paid to all libraries in the county from such fund shall never be a smaller per cent of the fund than the average of the percentages of the county's classified taxes that were distributed to libraries in 1982, 1983, and 1984, as determined by the county auditor. The commission shall base the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. In determining the needs of each library board of trustees, and in calculating the amount to be distributed to any library board of trustees on the basis of its needs, the commission shall make no reduction in its allocation from the fund on account of additional revenues realized by a library from increased taxes or service charges voted by its electorate, from revenues received through federal or state grants, projects, or programs, or from grants from private sources.

(C) Notwithstanding the fact that alternative methods of financing such needs are available, after fixing the amount to be distributed to libraries, the commission shall fix the amount, if any, of the county public library ~~and local government support~~ fund to be distributed to each board of township park commissioners, the county, and each municipal corporation in

accordance with the following:

(1) Each municipal corporation in the county shall receive a per cent of the remainder that equals the per cent that the county auditor determines the classified property taxes originating in such municipal corporation in 1984 were of the total of all of the county's classified property taxes in 1984. The commission may deduct from this amount any amount that the budget commission allows to the board of township park commissioners of a township park district, the boundaries of which are coextensive with or contained within the boundaries of the municipal corporation.

(2) The county shall receive a per cent of the remainder that equals the per cent that the county auditor determines the classified property taxes originating outside of the boundaries of municipal corporations in the county in 1984 were of the total of all of the county's classified property taxes in 1984. The commission may deduct from this amount any amount that the budget commission allows to the board of township park commissioners of a township park district, the boundaries of which are not coextensive with or contained within those of any municipal corporation in the county.

(D) The commission shall separately set forth the amounts fixed and determined under divisions (B) and (C) of this section in the "official certificate of estimated resources," as provided in section 5705.35 of the Revised Code, and separately certify such amount to the county auditor who shall be guided thereby in the distribution of the county public library ~~and local government support~~ fund for and during the fiscal year. In determining such amounts, the commission shall be guided by the estimate certified by the tax commissioner and presented by the auditor under section 5705.31 of the Revised Code, as to the total amount of revenue to be received in the county public library ~~and local government support~~ fund during such fiscal year.

(E)(1) At least five days before the date of any meeting at which the budget commission plans to discuss the distribution of the county public library ~~and local government support~~ fund, it shall notify each legislative authority and board of public library trustees, county commissioners, and township park commissioners eligible to participate in the distribution of the fund of the date, time, place, and agenda for the meeting. Any legislative authority or board entitled to notice under this division may designate an officer or employee of such legislative authority or board to whom the commission shall deliver the notice.

(2) Before the final determination of the amount to be allotted to each subdivision from any source, the commission shall permit representatives of

each subdivision and of each board of public library trustees to appear before it to explain its financial needs.

(F) If any public library receives and expends any funds allocated to it under this section for the construction of new library buildings or parts of buildings, such library shall be free and open to the inhabitants of the county in which it is located. Any board of library trustees that receives funds under this section and section 5747.48 of the Revised Code shall have its financial records open for public inspection at all reasonable times.

Sec. 5705.321. (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 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) ~~Library and local government support~~ Public library 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 county public library ~~and local government support~~ fund provided by division (C) of section 5705.32 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.

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 county public library and local government support fund shall be apportioned among the subdivisions eligible to participate in the fund, commencing in the ensuing calendar year, under the apportionment provided in divisions (B) and (C) of section 5705.32 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) 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 county public library and local government support 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 county public library and local government support fund in a county treasury shall be paid into the general fund and used for the current operating expenses of the subdivision.

(F) 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.

Sec. 5705.37. The taxing authority of any subdivision, or the board of trustees of any public library, nonprofit corporation, or library association maintaining a free public library that has adopted and certified rules under section 5705.28 of the Revised Code, that is dissatisfied with any action of the county budget commission may, through its fiscal officer, appeal to the board of tax appeals within thirty days after the receipt by the subdivision of the official certificate or notice of the commission's action. In like manner, but through its clerk, ~~the board of trustees of any public library, nonprofit corporation, or library association maintaining a free public library that has adopted and certified rules under section 5705.28 of the Revised Code,~~ or any park district may appeal to the board of tax appeals. An appeal under this section shall be taken by the filing of a notice of appeal, either in person

or by certified mail, express mail, or authorized delivery service as provided in section 5703.056 of the Revised Code, with the board and with the commission. If notice of appeal is filed by certified mail, express mail, or authorized delivery service, date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing. Upon receipt of the notice of appeal, the commission, by certified mail, shall notify all persons who were parties to the proceeding before the commission of the filing of the notice of appeal and shall file proof of notice with the board of tax appeals. The secretary of the commission shall forthwith certify to the board a transcript of the full and accurate record of all proceedings before the commission, together with all evidence presented in the proceedings or considered by the commission, pertaining to the action from which the appeal is taken. The secretary of the commission also shall certify to the board any additional information that the board may request.

The board of tax appeals, in a de novo proceeding, shall forthwith consider the matter presented to the commission, and may modify any action of the commission with reference to the budget, the estimate of revenues and balances, the allocation of the public library ~~and local government support~~ fund, or the fixing of tax rates. The finding of the board of tax appeals shall be substituted for the findings of the commission, and shall be certified to the tax commissioner, the county auditor, and the taxing authority of the subdivision affected, or to the board of public library trustees affected, as the action of the commission under sections 5705.01 to 5705.47 of the Revised Code.

This section does not give the board of tax appeals any authority to place any tax levy authorized by law within the ten-mill limitation outside of that limitation, or to reduce any levy below any minimum fixed by law.

Sec. 5715.36. (A) Any expense incurred by the tax commissioner as to the annual assessment of real property in any taxing district shall be paid out of the treasury of the county in which such district is located upon presentation of the order of the commissioner certifying the amount thereof to the county auditor, who shall thereupon issue ~~his~~ a warrant therefor upon the general fund of the county and direct the warrant to the county treasurer, who shall pay the same. All money paid out of the county treasury under authority of this division and section 5703.30 of the Revised Code shall be charged against the proper district, and amounts paid by the county shall be retained by the auditor from funds due such district at the time of making the semiannual distribution of taxes.

(B) Any expense incurred by the board of tax appeals as to the hearing

of any appeal from a county budget commission with respect to the allocation of the local government fund or the county public library ~~and local government support~~ fund shall be paid out of the treasury of the county involved upon presentation of the order of the board certifying the amount thereof to the county auditor, who shall thereupon issue ~~his~~ a warrant therefor upon the general fund of the county and direct the warrant to the county treasurer, who shall pay the same. At the time the local government fund or the county public library ~~and local government support~~ fund is distributed, all money which had been paid out of the county treasury for such expenses shall be deducted by the county auditor from the fund involved in the appeal. The amount so deducted by the county auditor shall be forthwith returned to the general fund of the county.

(C) An amount equal to the sum of the expenses incurred by the board of tax appeals as to any of the following shall be paid out of the general fund of the county in which such property is located upon presentation of the order of the board certifying the amount thereof to the county auditor, who shall thereupon issue ~~his~~ a warrant therefor upon the general fund of the county and direct the warrant to the county treasurer, who shall pay the same:

(1) The hearing of any appeal from a county board of revision under section 5717.01 of the Revised Code;

(2) An appeal from any finding, computation, determination, or order of the tax commissioner made with respect to the assessment or exemption of real property under division (B) of section 5715.61 and section 5717.02 of the Revised Code. At the time of each settlement of taxes under divisions (A) and (C) of section 321.24 of the Revised Code, there shall be deducted from the taxes included in such settlement and paid into the county general fund in the same manner as the fees allowed the county treasurer on amounts included in such settlement, the amounts paid out under this division since the preceding settlement. Each deduction shall be apportioned among the taxing districts within which the property that was the subject of the appeal is located in proportion to their relative shares of their respective taxes included in the settlement.

Sec. 5719.041. If the payment of a general personal property or classified property tax is not made on or before the last day prescribed by section 5719.03 or 5719.031 of the Revised Code, an interest charge shall begin to accrue and shall continue until all charges are paid, except that no interest charge shall accrue for or in the month in which such payment was due under such section or under the circumstances and for the period described in division (A)(2) of section 5711.33 of the Revised Code or upon

delinquent taxes that are the subject of a delinquent tax contract entered into pursuant to section 5719.05 of the Revised Code.

The interest charge shall accrue against the balance of such taxes and any penalty thereon outstanding that remains unpaid on the last day of each month and shall be at the rate per calendar month, rounded to the nearest one-hundredth of one per cent, equal to one-twelfth of the federal short-term rate determined by the tax commissioner under section 5703.47 of the Revised Code for the calendar year that includes the month for which the charge accrues. The charge is payable in addition to the unpaid balance of taxes and penalties on the day the charge accrues, unless the entire balance is sooner paid.

If a delinquent tax contract becomes void, interest shall be charged on the day on which the contract becomes void in the amount that would have been charged had the delinquent tax contract not been entered into and shall thereafter accrue as provided in this section.

Interest shall be allowed, at the same rate per calendar month as is applicable that month for underpayments, on any overpayment of the tax charged on a general personal property or a classified property tax duplicate, from the first day of the month following the date of the overpayment until the last day of the month preceding the date of the refund of the overpayment. The interest shall be paid from the fund or funds to which the overpayment was credited.

When the county treasurer makes the treasurer's annual settlement with the county auditor under division (D) of section 321.24 of the Revised Code, the treasurer shall certify to the auditor a list of all entries on the cumulative delinquent tax duplicate that are at that time in the process of being paid in installments under a valid delinquent tax contract. For each entry that appears on the duplicate that is not on the certified list, the auditor shall compute the full amount of interest charges which have accrued against such entry since the preceding such settlement was made and shall include such charges through the last day of the month preceding the current settlement. The auditor shall include such amounts on the tax list and duplicates prepared by the auditor as prescribed in section 5719.04 of the Revised Code unless the interest is less than one dollar, in which case it shall not be added to such tax lists and duplicates.

Before the county treasurer accepts any payment of taxes against which there are accrued interest charges that do not appear on the delinquent tax duplicate, the treasurer shall notify the auditor who shall issue a certificate to the treasurer showing the amount of such interest charges, and the treasurer shall collect the amount shown on such certificate at the time of

accepting payment of such taxes. If the amount of such interest charges is less than one dollar, no such certificate shall be issued. In the case of delinquent personal property taxes, the interest shown on such certificate shall be credited to the undivided general tax fund, and distributed in the same manner as the delinquent taxes upon which the interest charges accrued. In the case of delinquent classified property taxes, the interest shown on such certificate shall be credited to the county public library ~~and local government support~~ fund and distributed in accordance with section 5747.48 of the Revised Code. When the payment of delinquent taxes is credited on the tax duplicate the treasurer shall make a separate notation thereon indicating the amount collected and the index number of the auditor's certificate herein prescribed.

Sec. 5747.03. (A) All money collected under this chapter arising from the taxes imposed by section 5747.02 or 5747.41 of the Revised Code shall be credited to the general revenue fund, except that the treasurer of state shall, at the beginning of each calendar quarter, credit to the Ohio political party fund, pursuant to section 3517.16 of the Revised Code, an amount equal to the total dollar value realized from the taxpayer exercise of the income tax checkoff option on tax forms processed during the preceding calendar quarter.

(B)(1) Following the crediting of moneys pursuant to division (A) of this section, the remainder deposited in the general revenue fund shall be distributed pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code; to make subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; to support expenditures for programs and services for the mentally ill, mentally retarded, developmentally disabled, and elderly; for primary and secondary education; for medical assistance; and for any other purposes authorized by law, subject to the limitation that at least fifty per cent of the income tax collected by the state from the tax imposed by section 5747.02 of the Revised Code shall be returned pursuant to Section 9 of Article XII, Ohio Constitution.

(2) To ensure that such constitutional requirement is satisfied the tax commissioner shall, on or before the thirtieth day of June of each year, from the best information available to the tax commissioner, determine and certify for each county to the director of budget and management the amount of taxes collected under this chapter from the tax imposed under section 5747.02 of the Revised Code during the preceding calendar year that are required to be returned to the county by Section 9 of Article XII, Ohio Constitution. The director shall provide for payment from the general

revenue fund to the county in the amount, if any, that the sum of the amount so certified for that county exceeds the sum of the following:

(a) The sum of the payments from the general revenue fund for the preceding calendar year credited to the county's undivided income tax fund pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code or made directly from the general revenue fund to political subdivisions located in the county;

(b) The sum of the amounts from the general revenue fund distributed in the county during the preceding calendar year for subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; for programs and services for mentally ill, mentally retarded, developmentally disabled, and elderly persons; for primary and secondary education; and for medical assistance.

(c) In the case of payments made by the director under this division in 2007, the total amount distributed to the county during the preceding calendar year from the local government fund and the local government revenue assistance fund, and, in the case of payments made by the director under this division in subsequent calendar years, the amount distributed to the county from the local government fund;

(d) In the case of payments made by the director under this division, the total amount distributed to the county during the preceding calendar year from the public library and local government support fund.

Payments under this division shall be credited to the county's undivided income tax fund, except that, notwithstanding section 5705.14 of the Revised Code, such payments may be transferred by the board of county commissioners to the county general fund by resolution adopted with the affirmative vote of two-thirds of the members thereof.

(C) All payments received in each month from taxes imposed under Chapter 5748. of the Revised Code and any penalties or interest thereon shall be paid into the school district income tax fund, which is hereby created in the state treasury, except that an amount equal to the following portion of such payments shall be paid into the general school district income tax administrative fund, which is hereby created in the state treasury:

(1) One and three-quarters of one per cent of those received in fiscal year 1996;

(2) One and one-half per cent of those received in fiscal year 1997 and thereafter.

Money in the school district income tax administrative fund shall be used by the tax commissioner to defray costs incurred in administering the

school district's income tax, including the cost of providing employers with information regarding the rate of tax imposed by any school district. Any moneys remaining in the fund after such use shall be deposited in the school district income tax fund.

All interest earned on moneys in the school district income tax fund shall be credited to the fund.

(D)(1)(a) Within thirty days of the end of each calendar quarter ending on the last day of March, June, September, and December, the director of budget and management shall make a payment from the school district income tax fund to each school district for which school district income tax revenue was received during that quarter. The amount of the payment shall equal the balance in the school district's account at the end of that quarter.

(b) After a school district ceases to levy an income tax, the director of budget and management shall adjust the payments under division (D)(1)(a) of this section to retain sufficient money in the school district's account to pay refunds. For the calendar quarters ending on the last day of March and December of the calendar year following the last calendar year the tax is levied, the director shall make the payments in the amount required under division (D)(1)(a) of this section. For the calendar quarter ending on the last day of June of the calendar year following the last calendar year the tax is levied, the director shall make a payment equal to nine-tenths of the balance in the account at the end of that quarter. For the calendar quarter ending on the last day of September of the calendar year following the last calendar year the tax is levied, the director shall make no payment. For the second and succeeding calendar years following the last calendar year the tax is levied, the director shall make one payment each year, within thirty days of the last day of June, in an amount equal to the balance in the district's account on the last day of June.

(2) Moneys paid to a school district under this division shall be deposited in its school district income tax fund. All interest earned on moneys in the school district income tax fund shall be apportioned by the tax commissioner pro rata among the school districts in the proportions and at the times the districts are entitled to receive payments under this division.

Sec. 5747.46. As used in sections 5747.46 and 5747.47 of the Revised Code:

(A) "Year's fund balance" means the amount credited to the public library and local government support fund during a calendar year.

(B) "Distribution year" means the calendar year during which a year's fund balance is distributed under section 5747.47 of the Revised Code.

(C) "CPI" means the consumer price index for all urban consumers

(United States city average, all items), prepared by the United States department of labor, bureau of labor statistics.

(D) "Inflation factor" means the quotient obtained by dividing the CPI for May of the year preceding the distribution year by the CPI for May of the second preceding year. If the ~~the~~ quotient so obtained is less than one, the inflation factor shall equal one.

(E) "Population" means whichever of the following has most recently been issued, as of the first day of June preceding the distribution year:

(1) The most recent decennial census figures that include population figures for each county in the state;

(2) The most current issue of "Current Population Reports: Local Population Estimates" issued by the United States bureau of the census that contains population estimates for each county in the state and the state.

(F) "County's equalization ratio for a distribution year" means a percentage computed for that county as follows:

(1) Square the per cent that the county's population is of the state's population;

(2) Divide the product so obtained by the per cent that the county's total entitlement for the preceding year is of all counties' total entitlements for the preceding year;

(3) Divide the quotient so obtained by the sum of the quotients so obtained for all counties.

(G) "Total entitlement" means, with respect to a distribution year, the sum of a county's guaranteed share plus its share of the excess.

(1) "Guaranteed share" means, for a distribution year, the product obtained by multiplying a county's total entitlement for the preceding distribution year by the inflation factor. If the sum of the guaranteed shares for all counties exceeds the year's fund balance, the guaranteed shares of all counties shall be reduced by a percentage that will result in the sum of such guaranteed shares being equal to the year's fund balance.

(2) "Share of excess" means, for a distribution year, the product obtained by multiplying a county's equalization ratio by the difference between the year's fund balance and the sum of the guaranteed shares for all counties. If the sum of the guaranteed shares for all counties exceeds the year's fund balance the share of the excess for all counties is zero.

(H) "Net distribution" means the sum of the payments made to a county's public library ~~and local government support~~ fund during a distribution year, adjusted as follows:

(1) If the county received an overpayment during the preceding distribution year, add the amount of the overpayment;

(2) If the county received an underpayment during the preceding distribution year, deduct the amount of the underpayment.

(I) "Overpayment" or "underpayment" for a distribution year means the amount by which the net distribution to a county's public library ~~and local government support~~ fund during that distribution year exceeded or was less than the county's total entitlement for that year.

All computations made under this section shall be rounded to the nearest one-hundredth of one per cent.

Sec. 5747.47. (A)(1) By the twentieth day of July of each year, the tax commissioner shall estimate and certify the following for each county to its county auditor:

- (a) Its guaranteed share of the ensuing year's fund balance;
- (b) Its share of the excess of the ensuing year's fund balance;
- (c) Its total entitlement.

(2) In December and in June following such estimations and certifications, the commissioner shall revise such estimates and certify such revised estimates to the respective county auditors.

(B) By the tenth day of each month the commissioner shall distribute the amount credited to the public library ~~and local government support~~ fund in the current month under section 131.51 of the Revised Code. The distributions shall be made as follows:

(1) During the first six months of each year, each county shall be paid a percentage of the balance that is the same per cent that the revised estimate of the county's total entitlement certified in December under division (A)(2) of this section is of the sum of such revised estimates of the total entitlements for all counties.

(2) During the last six months, each county shall be paid a percentage of the balance that is the same per cent that the revised estimate of the county's total entitlement certified in June under division (A)(2) of this section is of the sum of such revised estimates of the total entitlements for all counties.

(3) During each of the first six months of each year, the payments made to each county shall be adjusted as follows:

(a) If the county received an overpayment during the preceding distribution year, reduce the sum of the payments by the amount of such overpayment. The reduction shall be apportioned over the six months.

(b) If the county received an underpayment during the preceding distribution year, increase the sum of the payments by the amount of such underpayment. The increase shall be apportioned over the six months.

(C) By the twentieth day of December of each year, the tax commissioner shall determine and certify to the auditor of each county each

of the following with respect to the current distribution year:

- (1) The year's fund balance;
- (2) Each county's guaranteed share;
- (3) Each county's share of the excess;
- (4) Each county's total entitlement;
- (5) Each county's net distribution;
- (6) The amount by which each county's net distribution exceeded or was less than its total entitlement, which amount shall constitute the county's overpayment or underpayment for purposes of division (B)(3) of this section in the ensuing distribution year.

Sec. 5747.48. On the fifteenth day of each month, the county treasurer shall distribute the balance in the county public library and local government support fund among the county, boards of public library trustees, municipal corporations, and boards of township park commissioners for which the county budget commission has fixed an allocation from the fund in that year in accordance with section 5705.32 of the Revised Code in the same proportions that each such entity's allocation as fixed by the commission is of the total of all such allocations in that year.

All money received into the treasury of a municipal corporation or county shall be credited to the general fund therein, provided that in a municipal corporation there shall be credited to the funds established under division (D) of section 5705.09 of the Revised Code a portion of the total amount to be credited to funds of the municipal corporation, which portion shall be determined by multiplying the total amount to be credited by the percentage that the funds credited under division (D) of said section in 1938 bore to all the funds credited under said section in 1938. If a municipal corporation is in default with respect to the principal or interest of any outstanding notes or bonds, the moneys distributed under this section shall be credited to the funds established under divisions (A), (B), (C), and (D) of section 5705.09 of the Revised Code, in the same proportion in which the funds derived from the levy for the previous year on the general tax list and duplicate are divided.

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 and the estimated amount to be received by the undivided local government fund of each county from the taxes levied pursuant to section 5707.03 of the Revised Code for the ensuing calendar year.

(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 estimates shown on the certificate of the commissioner of the amount to be allocated from the local government fund and the amount to be received from taxes levied pursuant to section 5707.03 of the Revised Code shall be combined into one total comprising the estimate of the undivided local government fund of the county. 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.

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 ~~and local government support~~ 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, 324.02, 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, 324.021, 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:

Percentage of municipal population within the county:	Percentage share of the county shall not exceed:
Less than forty-one per cent	Sixty per cent
Forty-one per cent or more but less than eighty-one per cent	Fifty per cent
Eighty-one per cent or more	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 by certified mail, return receipt requested, a copy of such allocation 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. 5747.52. The form used by the county budget commission to calculate subdivision shares of the undivided local government fund as apportioned pursuant to section 5747.51 of the Revised Code shall be as follows:

Calculation of (name of subdivision) share of undivided local government fund for (name of county) county	
Authorized expenditure for subdivision	Total
1. Estimated expenditures from general fund	.....
2. Estimated expenditures from special funds other than those established for road and bridge, street construction, maintenance, and state highway improvement, and for gas, water, sewer, and electric public utilities	.....
3. Total	.....
Deductions from authorized expenditures	
4. Expenditures for permanent improvements	.....
5. Transfers to road and bridge fund (counties and townships only)	.....

6. Transfers to street construction, maintenance, and repair, and state highway improvements funds	.....
7. Expenditures for the payment of debt charges	.....
8. Expenditures for the payment of judgments	.....
9. Taxes levied inside the "ten-mill limitation"	.....
10. Budget commission allocation of estimated county public library and local government support fund revenues	.....
11. Estimated unencumbered balances as of December 31 of current year in the general funds as stated in the tax budget	.....
12. Revenue, including transfers, shown in the general fund or any special funds other than special funds established for road and bridge, street construction, maintenance, and repair, and state highway improvement, and for gas, water, sewer, and electric public utilities, from all other sources except those from additional taxes or service charges voted by electorate as defined in division (E)(4) of section 5747.51 of the Revised Code, and except revenue from special assessment and revenue bond collections	.....
13. Total	.....
Calculation of subdivision share	
14. Relative need of subdivision (line 3 less line 13)	.....
15. Relative need factor for county (total estimate of undivided local government fund divided by total relative need of all participating subdivisions)	.....
16. Proportionate share of subdivision (relative need of subdivision multiplied by relative need factor)	.....
17. After any adjustments necessary to comply with statutory maximum share allowable to county	.....
18. After any adjustments necessary to comply with statutory minimum share allowable to townships	.....
19. After any adjustments necessary to comply with minimum guarantee in division (I) of section 5747.51 of the Revised Code	.....
20. Proportionate share of subdivision (line 16, 17, 18, or 19, whichever is appropriate)	.....

SECTION 2. That existing sections 127.14, 131.18, 131.44, 131.51,

133.10, 135.35, 135.352, 149.411, 321.08, 3375.05, 3375.121, 3375.32, 3375.35, 3375.36, 3375.37, 3375.38, 3375.39, 3375.40, 3375.404, 3375.41, 3375.42, 3375.85, 3375.91, 3375.92, 5705.28, 5705.281, 5705.31, 5705.32, 5705.321, 5705.37, 5715.36, 5719.041, 5747.03, 5747.46, 5747.47, 5747.48, 5747.51, and 5747.52 of the Revised Code are hereby repealed.

SECTION 3. On and after the effective date of this act, references to the Library and Local Government Support Fund, wherever they are encountered, shall be read as if they were references to the Public Library Fund.

On and after the effective date of this act, references to a County Library and Local Government Support Fund, wherever they are encountered, shall be read as if they were references to a County Public Library Fund.

SECTION 4. That Section 323.10 of H.B. 119 of the 127th General Assembly be amended to read as follows:

Sec. 323.10. LIB STATE LIBRARY BOARD

General Revenue Fund

GRF 350-321	Operating Expenses	\$	6,298,677	\$	6,298,677
GRF 350-400	Ohio Public Library Information Network	\$	4,330,000	\$	4,330,000
GRF 350-401	Ohioana Rental Payments	\$	124,816	\$	124,816
GRF 350-501	Library for the Blind-Cincinnati	\$	535,615	\$	535,615
GRF 350-502	Regional Library Systems	\$	1,010,441	\$	1,010,441
GRF 350-503	Library for the Blind-Cleveland	\$	805,642	\$	805,642
TOTAL GRF General Revenue Fund		\$	13,105,191	\$	13,105,191

General Services Fund Group

139 350-602	Intra-Agency Service Charges	\$	9,000	\$	9,000
4S4 350-604	Ohio Public Library Information Network Technology	\$	3,000,000	\$	3,000,000
459 350-602	Library Service Charges	\$	2,708,092	\$	2,708,092
TOTAL GSF General Services Fund Group		\$	5,717,092	\$	5,717,092

Federal Special Revenue Fund Group

313 350-601	LSTA Federal	\$	5,691,792	\$	5,691,792
TOTAL FED Federal Special Revenue Fund Group		\$	5,691,792	\$	5,691,792
TOTAL ALL BUDGET FUND GROUPS		\$	24,514,075	\$	24,514,075

OHIOANA RENTAL PAYMENTS

The foregoing appropriation item 350-401, Ohioana Rental Payments,

shall be used to pay the rental expenses of the Martha Kinney Cooper Ohioana Library Association pursuant to section 3375.61 of the Revised Code.

LIBRARY FOR THE BLIND-CINCINNATI

The foregoing appropriation item 350-501, Library for the Blind-Cincinnati, shall be used for the Talking Book program, which assists the blind and disabled.

REGIONAL LIBRARY SYSTEMS

The foregoing appropriation item 350-502, Regional Library Systems, shall be used to support regional library systems eligible for funding under sections 3375.83 and 3375.90 of the Revised Code.

LIBRARY FOR THE BLIND-CLEVELAND

The foregoing appropriation item 350-503, Library for the Blind-Cleveland, shall be used for the Talking Book program, which assists the blind and disabled.

OHIO PUBLIC LIBRARY INFORMATION NETWORK

(A) The foregoing appropriation items 350-604, Ohio Public Library Information Network Technology, and 350-400, Ohio Public Library Information Network, shall be used for an information telecommunications network linking public libraries in the state and such others as may be ~~certified as participants by~~ participate in the Ohio Public Library Information Network Board (OPLIN).

~~The Ohio Public Library Information Network Board shall consist of eleven members appointed by the State Library Board from among the staff of public libraries and past and present members of boards of trustees of public libraries, based on the recommendations of the Ohio library community. The Ohio Public Library Information Network Board, in consultation with the State Library, shall develop a plan of operations for the network. The board of Trustees created under section 3375.65 of the Revised Code may make decisions regarding use of the foregoing appropriation items 350-400, Ohio Public Library Information Network, and 350-604, Ohio Public Library Information Network Technology, may receive and expend grants to carry out the operations of the network in accordance with state law and the authority to appoint and fix the compensation of a director and necessary staff. The State Library shall be the fiscal agent for the network and shall have fiscal accountability for the expenditure of funds. The Ohio Public Library Information Network Board members shall be reimbursed for actual travel and necessary expenses incurred in carrying out their responsibilities.~~

~~In order to limit access to obscene and illegal materials through internet~~

~~use at Ohio Public Library Information Network (OPLIN) terminals, local libraries with OPLIN computer terminals shall adopt policies that control access to obscene and illegal materials. These policies may include use of technological systems to select or block certain internet access. The OPLIN shall condition provision of its funds, goods, and services on compliance with these policies. The OPLIN Board shall also adopt and communicate specific recommendations to local libraries on methods to control such improper usage. These methods may include each library implementing a written policy controlling such improper use of library terminals and requirements for parental involvement or written authorization for juvenile internet usage.~~

(B) Of the foregoing appropriation item 350-400, Ohio Public Library Information Network, up to \$100,000 in each fiscal year shall be used to help local libraries purchase or maintain filters to screen out obscene and illegal internet materials.

The OPLIN Board shall research and assist or advise local libraries with regard to emerging technologies and methods that may be effective means to control access to obscene and illegal materials. The OPLIN Executive Director shall biannually provide written reports to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate on any steps being taken by OPLIN and public libraries in the state to limit and control such improper usage as well as information on technological, legal, and law enforcement trends nationally and internationally affecting this area of public access and service.

(C) The Ohio Public Library Information Network, INFOhio, and OhioLINK shall, to the extent feasible, coordinate and cooperate in their purchase or other acquisition of the use of electronic databases for their respective users and shall contribute funds in an equitable manner to such effort.

SECTION 5. That existing Section 323.10 of H.B. 119 of the 127th General Assembly is hereby repealed.

SECTION 6. Section 3375.41 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 95 and Am. Sub. S.B. 55 of the 125th General Assembly. Section 5705.31 of the Revised Code is presented in this act as a composite of the section as amended by both H.B. 129 and S.B. 5 of the 124th 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 of each such section is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. S. B. No. 185

127th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____