

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

H. B. No. 48

Representative Greenspan

A BILL

To amend sections 131.44 and 131.51 and to enact 1
section 131.52 of the Revised Code to provide 2
for a new Local Government Road Improvement Fund 3
for local governments to fund road improvements. 4

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

Section 1. That sections 131.44 and 131.51 be amended and 5
section 131.52 of the Revised Code be enacted to read as 6
follows: 7

Sec. 131.44. (A) As used in this section: 8

(1) "Surplus revenue" means the excess, if any, of the 9
total fund balance over the required year-end balance. 10

(2) "Total fund balance" means the sum of the unencumbered 11
balance in the general revenue fund on the last day of the 12
preceding fiscal year plus the balance in the budget 13
stabilization fund. 14

(3) "Required year-end balance" means the sum of the 15
following: 16

(a) Eight and one-half per cent of the general revenue 17
fund revenues for the preceding fiscal year; 18

(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year; 19
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(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; 22
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(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; 27
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(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. 31
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(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: 37
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(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; 41
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(b) Transfers of appropriations from the first fiscal year to the second fiscal year of the biennium approved by the controlling board. 45
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(5) "Estimated general revenue fund revenue" means the 48
most recent such estimate available to the director of budget 49
and management. 50

(B) (1) Not later than the thirty-first day of July each 51
year, the director of budget and management shall determine the 52
surplus revenue that existed on the preceding thirtieth day of 53
June and transfer from the general revenue fund, to the extent 54
of the unobligated, unencumbered balance on the preceding 55
thirtieth day of June in excess of one-half of one per cent of 56
the general revenue fund revenues in the preceding fiscal year, 57
the following: 58

(a) First, to the budget stabilization fund, any amount 59
required to be allocated to that fund under division (B) (3) of 60
this section; 61

(b) Second, to the local government road improvement fund, 62
fifty per cent of the remaining surplus revenue; 63

(c) Third, to the budget stabilization fund, any amount 64
necessary for the balance of the budget stabilization fund to 65
equal eight and one-half per cent of the general revenue fund 66
revenues of the preceding fiscal year; 67

~~(b) Then~~ (d) Fourth, to the income tax reduction fund, 68
which is hereby created in the state treasury, an amount equal 69
to the remaining surplus revenue. 70

(2) Not later than the thirty-first day of July each year, 71
the director shall determine the percentage that the balance in 72
the income tax reduction fund is of the amount of revenue that 73
the director estimates will be received from the tax levied 74
under section 5747.02 of the Revised Code in the current fiscal 75
year without regard to any reduction under division (B) of that 76

section. If that percentage exceeds thirty-five one hundredths 77
of one per cent, the director shall certify the percentage to 78
the tax commissioner not later than the thirty-first day of 79
July. 80

(3) If the balance of the budget stabilization fund 81
decreased by ten per cent or more between the first day of 82
August and the last day of June of the preceding fiscal year, 83
and if an allocation is not already required to be made to that 84
fund pursuant to division (B)(3) of this section from a prior 85
year, any surplus revenue available to be transferred under this 86
section in the current fiscal year and in ensuing fiscal years 87
shall be transferred to the budget stabilization fund until the 88
balance of that fund is equal to the lesser of the balance of 89
the fund on the first day of August of the fiscal year in which 90
the decrease occurred or eight and one-half per cent of the 91
general revenue fund revenues of the preceding fiscal year. 92

(C) The director of budget and management shall transfer 93
money in the income tax reduction fund to the general revenue 94
fund, the local government fund, and the public library fund as 95
necessary to offset revenue reductions resulting from the 96
reductions in taxes required under division (B) of section 97
5747.02 of the Revised Code in the respective amounts and 98
percentages prescribed by division (A) of section 5747.03 and 99
divisions (A) and (B) of section 131.51 of the Revised Code as 100
if the amount transferred had been collected as taxes under 101
Chapter 5747. of the Revised Code. If no reductions in taxes are 102
made under that division that affect revenue received in the 103
current fiscal year, the director shall not transfer money from 104
the income tax reduction fund to the general revenue fund, the 105
local government fund, and the public library fund. 106

Sec. 131.51. (A) On or before the seventh day of each 107
month, the director of budget and management shall credit to the 108
local government fund one and sixty-six one-hundredths per cent 109
of the total tax revenue credited to the general revenue fund 110
during the preceding month. In determining the total tax revenue 111
credited to the general revenue fund during the preceding month, 112
the director shall include amounts transferred from the fund 113
during the preceding month under this division and division (B) 114
of this section. Money shall be distributed from the local 115
government fund as required under sections 5747.50 and 5747.503 116
of the Revised Code during the same month in which it is 117
credited to the fund. 118

(B) On or before the seventh day of each month, the 119
director of budget and management shall credit to the public 120
library fund one and sixty-six one-hundredths per cent of the 121
total tax revenue credited to the general revenue fund during 122
the preceding month. In determining the total tax revenue 123
credited to the general revenue fund during the preceding month, 124
the director shall include amounts transferred from the fund 125
during the preceding month under this division and division (A) 126
of this section. Money shall be distributed from the public 127
library fund as required under section 5747.47 of the Revised 128
Code during the same month in which it is credited to the fund. 129

(C) The director of budget and management shall develop a 130
schedule identifying the specific tax revenue sources to be used 131
to make the monthly transfers required under divisions (A) and 132
(B) of this section. The director may, from time to time, revise 133
the schedule as the director considers necessary. 134

(D) No act of the general assembly shall reduce the amount 135
to be credited to the local government fund each month to an 136

amount that is less than one and sixty-six one-hundredths of one 137
per cent of the total tax revenue credited to the general 138
revenue fund during the preceding month. 139

Sec. 131.52. (A) There is hereby created in the state 140
treasury the local government road improvement fund. The fund 141
shall consist of money transferred to it pursuant to section 142
131.44 of the Revised Code and of any other amounts appropriated 143
to it. 144

(B) Not later than the last day of any July in which a 145
transfer of money is made to the local government road 146
improvement fund under section 131.44 of the Revised Code, the 147
director of budget and management shall do both of the 148
following: 149

(1) Compute the product of the following amounts for each 150
political subdivision: 151

(a) The balance of the local government road improvement 152
fund; 153

(b) A fraction, the numerator of which is the number of 154
centerline miles of roadways maintained by that political 155
subdivision and the denominator of which is the total number of 156
centerline miles of roadways in the state maintained by a 157
political subdivision. 158

(2) Certify the amount computed for each political 159
subdivision to the county auditor of the county in which the 160
political subdivision is located. If a political subdivision is 161
located in more than one county, the director shall certify the 162
amount to the county auditor of the county in which a majority 163
of the subdivision's centerline miles are located. 164

For the purpose of the computation under division (B) of 165

this section, the number of centerline miles maintained by each 166
political subdivision shall be based on the number of such miles 167
according to the records of the department of transportation. 168
The director of transportation shall provide such information to 169
the director of budget and management upon request. 170

(C) Not later than the last day of August following the 171
director's certification under division (B) of this section, the 172
director of budget and management shall distribute to each 173
county treasury the total of the amounts certified for political 174
subdivisions in that county to the credit of the undivided local 175
government road improvement fund, which shall be created in each 176
county treasury. Not later than the last day of September, the 177
county auditor shall issue warrants against the undivided local 178
government road improvement fund in the amounts to be paid to 179
political subdivisions pursuant to the director's certification 180
under division (B) (2) of this section, and the county treasurer 181
shall pay such amounts to those political subdivisions. 182

(D) Amounts distributed to a political subdivision under 183
this section shall be used solely for road improvements. A 184
political subdivision may use the funds distributed to it in the 185
year in which the distribution is received or in any succeeding 186
year. 187

(E) As used in this section, "political subdivision" means 188
a county, township, or municipal corporation. 189

Section 2. That existing sections 131.44 and 131.51 of the 190
Revised Code are hereby repealed. 191

Section 3. The amendment or enactment by this act of 192
sections 131.44, 131.51, and 131.52 of the Revised Code applies 193
on and after the first day of the first July following the 194

effective date of this act.

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