

As Reported by the Senate Local Government Committee

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Representative Thomas, D.

Cosponsors: Representatives Daniels, Dean, Fischer, Fowler Arthur, Gross, Hall, T., John, Johnson, Peterson, Willis, Workman, Roemer, Glassburn, Brennan, Click, Craig, Creech, Deeter, Demetriou, Dovilla, Hiner, Holmes, Hoops, King, Kishman, Klopfenstein, Lampton, Mathews, A., Mathews, T., McClain, Miller, M., Newman, Plummer, Richardson, Ritter, Robb Blasdel, Salvo, Santucci, Sigrist, Stephens, Troy, Williams, Young

Senator Koehler

—

To amend sections 3317.01, 5705.31, 5705.32, and	1
5705.321 and to enact section 5705.60 of the	2
Revised Code to modify the law governing county	3
budget commissions and property taxation.	4

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

Section 1. That sections 3317.01, 5705.31, 5705.32, and	5
5705.321 be amended and section 5705.60 of the Revised Code be	6
enacted to read as follows:	7

Sec. 3317.01. As used in this section, "school district,"	8
unless otherwise specified, means any city, local, exempted	9
village, joint vocational, or cooperative education school	10
district and any educational service center.	11

This chapter shall be administered by the department of	12
education and workforce. The department of education and	13
workforce shall calculate the amounts payable to each school	14
district and shall certify the amounts payable to each eligible	15

district to the treasurer of the district as provided by this 16
chapter. Certification of moneys pursuant to this section shall 17
include the amounts payable to each school building, at a 18
frequency determined by the department, for each subgroup of 19
students, as defined in section 3317.40 of the Revised Code, 20
receiving services, provided for by state funding, from the 21
district or school. No moneys shall be distributed pursuant to 22
this chapter without the approval of the controlling board. 23

The department shall, in accordance with appropriations 24
made by the general assembly, meet the financial obligations of 25
this chapter. 26

Moneys distributed to school districts pursuant to this 27
chapter shall be calculated based on the annual enrollment 28
calculated from the three reports required under section 3317.03 29
of the Revised Code and paid on a fiscal year basis, beginning 30
with the first day of July and extending through the thirtieth 31
day of June. In any given fiscal year, prior to school districts 32
submitting the first report required under section 3317.03 of 33
the Revised Code, enrollment for the districts shall be 34
calculated based on the third report submitted by the districts 35
for the previous fiscal year. The moneys appropriated for each 36
fiscal year shall be distributed periodically to each school 37
district unless otherwise provided for. The department, in June 38
of each year, shall submit to the controlling board the 39
department's year-end distributions pursuant to this chapter. 40

Except as otherwise provided, payments under this chapter 41
shall be made only to those school districts in which: 42

(A) The school district, except for any educational 43
service center and any joint vocational or cooperative education 44
school district, levies for current operating expenses at least 45

twenty mills, unless the school district is levying less than 46
that amount due to a reduction in collections made under 47
division (D) of section 5705.31 of the Revised Code or division 48
(A) of section 5705.32 of the Revised Code relating to a 49
declaration made by the board under division (E) of section 50
5705.29 of the Revised Code. Levies for joint vocational or 51
cooperative education school districts or county school 52
financing districts, limited to or to the extent apportioned to 53
current expenses, shall be included in this qualification 54
requirement. School district income tax levies under Chapter 55
5748. of the Revised Code, limited to or to the extent 56
apportioned to current operating expenses, shall be included in 57
this qualification requirement to the extent determined by the 58
tax commissioner under division (C) of section 3317.021 of the 59
Revised Code. 60

(B) The school year next preceding the fiscal year for 61
which such payments are authorized meets the requirement of 62
section 3313.48 of the Revised Code, with regard to the minimum 63
number of hours school must be open for instruction with pupils 64
in attendance, for individualized parent-teacher conference and 65
reporting periods, and for professional meetings of teachers. 66

A school district shall not be considered to have failed 67
to comply with this division because schools were open for 68
instruction but either twelfth grade students were excused from 69
attendance for up to the equivalent of three school days or only 70
a portion of the kindergarten students were in attendance for up 71
to the equivalent of three school days in order to allow for the 72
gradual orientation to school of such students. 73

A board of education or governing board of an educational 74
service center which has not conformed with other law and the 75

rules pursuant thereto, shall not participate in the 76
distribution of funds authorized by this chapter, except for 77
good and sufficient reason established to the satisfaction of 78
the department and the state controlling board. 79

All funds allocated to school districts under this 80
chapter, except those specifically allocated for other purposes, 81
shall be used to pay current operating expenses only. 82

Sec. 5705.31. The county auditor shall present to the 83
county budget commission the annual tax budgets submitted under 84
sections 5705.01 to 5705.47 of the Revised Code, together with 85
an estimate prepared by the auditor of the amount of any state 86
levy, the rate of any school tax levy as previously determined, 87
the tax commissioner's estimate of the amount to be received in 88
the county public library fund, the tax rates provided under 89
section 5705.281 of the Revised Code if adoption of the tax 90
budget was waived under that section, and such other information 91
as the commission requests or the tax commissioner prescribes. 92

The budget commission shall examine such budget and, if 93
the taxing authority is a board of education that has elected to 94
include projections pursuant to division (E) of section 5705.391 95
of the Revised Code, shall examine such projections. Using the 96
budget and, if applicable, included projections, the budget 97
commission shall ascertain the total amount proposed to be 98
raised in the county for the purposes of each subdivision and 99
other taxing units in the county and the need for those amounts. 100
Except as otherwise provided in this section, the county budget 101
commission may reduce the amount to be raised by any levy 102
pursuant to section 5705.32 of the Revised Code. 103

The commission shall ascertain that the following levies 104
have been properly authorized and, if so authorized, shall 105

approve them without modification: 106

(A) All levies in excess of the ten-mill limitation in the 107
first year they are levied, unless the levy is the renewal of an 108
existing tax or the subdivision or taxing unit requests an 109
amount requiring a lower rate for the succeeding fiscal year. 110
Such a request for an amount requiring a lower rate applies only 111
to the succeeding fiscal year unless the subdivision or taxing 112
unit expressly states that the request is permanent. 113

(B) All levies for unsatisfied debt charges, including 114
levies that remain necessary to pay notes issued for emergency 115
purposes; 116

(C) The levies prescribed by division (B) of sections 117
742.33 and 742.34 of the Revised Code; 118

(D) Except as otherwise provided in this division, a 119
minimum levy within the ten-mill limitation for the current 120
expense and debt service of each subdivision or taxing unit, 121
which shall equal two-thirds of the average levy for current 122
expenses and debt service allotted within the fifteen-mill 123
limitation to such subdivision or taxing unit during the last 124
five years the fifteen-mill limitation was in effect unless such 125
subdivision or taxing unit requests an amount requiring a lower 126
rate for the succeeding fiscal year, or if it expressed its 127
intent to forgo collections from such a levy under division (E) 128
of section 5705.29 of the Revised Code. Such a request for an 129
amount requiring a lower rate applies only to the succeeding 130
fiscal year unless the subdivision or taxing unit expressly 131
states that the request is permanent. 132

Except as provided in section 5705.312 of the Revised 133
Code, if the levies required in divisions (B) and (C) of this 134

section for the subdivision or taxing unit equal or exceed the 135
entire minimum levy of the subdivision as fixed, the minimum 136
levies of the other subdivisions or taxing units shall be 137
reduced by the commission to provide for the levies and an 138
operating levy for the subdivision. Such additional levy shall 139
be deducted from the minimum levies of each of the other 140
subdivisions or taxing units, but the operating levy for a 141
school district shall not be reduced below a figure equivalent 142
to forty-five per cent of the millage available within the ten- 143
mill limitation after all the levies in divisions (B) and (C) of 144
this section have been provided for. 145

If a municipal corporation and a township have entered 146
into an annexation agreement under section 709.192 of the 147
Revised Code in which they agree to reallocate their shares of 148
the minimum levies established under this division and if that 149
annexation agreement is submitted along with the annual tax 150
budget of both the township and the municipal corporation, then, 151
when determining the minimum levy under this division, the 152
auditor shall allocate, to the extent possible, the minimum levy 153
for that municipal corporation and township in accordance with 154
their annexation agreement. 155

Divisions (A) to (D) of this section are mandatory, and 156
commissions shall be without discretion to reduce such minimum 157
levies except as provided in such divisions. 158

If any debt charge is omitted from the budget, the 159
commission shall include it therein. 160

Sec. 5705.32. (A) As used in this section: 161

(1) "Unnecessary collections" mean collections from a tax 162
beyond the reasonably anticipated financial needs of the taxing 163

authority for the specific purposes of the tax after accounting 164
for current fund balances, projected expenditures, and other 165
available funding sources. 166

(2) "Excessive collections" mean collections from a tax in 167
an amount or at a rate that exceeds what is required to provide 168
services at a level that is consistent with statutory 169
obligations. 170

(B) The county budget commission shall adjust the 171
estimated amounts required from the general property tax for 172
each fund, as shown by the tax budgets or other information 173
required to be provided under section 5705.281 of the Revised 174
Code, so as to bring the tax levies required therefor within the 175
limitations specified in sections 5705.01 to 5705.47 of the 176
Revised Code, for such levies. The commission may revise and 177
adjust the estimate of balances and receipts from all sources 178
for each fund and shall determine the total appropriations that 179
may be made therefrom. 180

If a taxing unit declared its intent to forgo all or a 181
portion of collections under division (E) of section 5705.29 of 182
the Revised Code, the commission shall adjust the rate of each 183
levy as required to result in that reduction in collections. 184

~~(B)~~(C) Except as otherwise provided in section 5705.31 of 185
the Revised Code, the county budget commission may adjust the 186
estimated amounts required from the general property tax for 187
each fund, as shown by the tax budgets or other information 188
required to be provided under section 5705.281 of the Revised 189
Code, so as to bring the tax levies required therefor within 190
levels the commission finds reasonable and prudent to avoid 191
unnecessary or excessive collections. Before reducing the amount 192
or rate of any tax pursuant to this division, the commission 193

shall provide the taxing authority of the levying taxing unit 194
and the levying taxing unit an opportunity to present, at a 195
public hearing, information either considers relevant to the 196
questions of if and to what extent the levy should be reduced. 197

If the county budget commission adjusts amounts from any 198
tax levied by a taxing unit that is not a qualifying 199
subdivision, the adjustment shall be subject to both of the 200
following: 201

(1) No levy shall be reduced below the level that would 202
cause it to collect less than what the levy collected in the 203
preceding year, unless funds are available from reserve balance 204
accounts, nonexpendable trust funds, or carryover amounts to 205
offset a reduction below that level, and the budget commission 206
shall consider reserve balance accounts, nonexpendable trust 207
funds, and carryover amounts for that purpose; 208

(2) No levy may be reduced under division (B) of this 209
section to a level that would cause a school district subject to 210
division (A) of section 3317.01 of the Revised Code to levy less 211
than twenty mills for current operating expenses as required by 212
that division. 213

(D) The commission shall fix the amount of the county 214
public library fund to be distributed to each board of public 215
library trustees that has qualified under section 5705.28 of the 216
Revised Code for participation in the proceeds of such fund. The 217
amount paid to all libraries in the county from such fund shall 218
never be a smaller per cent of the fund than the average of the 219
percentages of the county's classified taxes that were 220
distributed to libraries in 1982, 1983, and 1984, as determined 221
by the county auditor. The commission shall base the amount for 222
distribution on the needs of such library for the construction 223

of new library buildings, parts of buildings, improvements, 224
operation, maintenance, or other expenses. In determining the 225
needs of each library board of trustees, and in calculating the 226
amount to be distributed to any library board of trustees on the 227
basis of its needs, the commission shall make no reduction in 228
its allocation from the fund on account of additional revenues 229
realized by a library from increased taxes or service charges 230
voted by its electorate, from revenues received through federal 231
or state grants, projects, or programs, or from grants from 232
private sources. 233

~~(C)~~(E) Notwithstanding the fact that alternative methods 234
of financing such needs are available, after fixing the amount 235
to be distributed to libraries, the commission shall fix the 236
amount, if any, of the county public library fund to be 237
distributed to each board of township park commissioners, the 238
county, and each municipal corporation in accordance with the 239
following: 240

(1) Each municipal corporation in the county shall receive 241
a per cent of the remainder that equals the per cent that the 242
county auditor determines the classified property taxes 243
originating in such municipal corporation in 1984 were of the 244
total of all of the county's classified property taxes in 1984. 245
The commission may deduct from this amount any amount that the 246
budget commission allows to the board of township park 247
commissioners of a township park district, the boundaries of 248
which are coextensive with or contained within the boundaries of 249
the municipal corporation. 250

(2) The county shall receive a per cent of the remainder 251
that equals the per cent that the county auditor determines the 252
classified property taxes originating outside of the boundaries 253

of municipal corporations in the county in 1984 were of the 254
total of all of the county's classified property taxes in 1984. 255
The commission may deduct from this amount any amount that the 256
budget commission allows to the board of township park 257
commissioners of a township park district, the boundaries of 258
which are not coextensive with or contained within those of any 259
municipal corporation in the county. 260

~~(D)~~ (F) The commission shall separately set forth the 261
amounts fixed and determined under divisions ~~(B)~~ (D) and ~~(C)~~ (E) 262
of this section in the "official certificate of estimated 263
resources," as provided in section 5705.35 of the Revised Code, 264
and separately certify such amount to the county auditor who 265
shall be guided thereby in the distribution of the county public 266
library fund for and during the fiscal year. In determining such 267
amounts, the commission shall be guided by the estimate 268
certified by the tax commissioner and presented by the auditor 269
under section 5705.31 of the Revised Code, as to the total 270
amount of revenue to be received in the county public library 271
fund during such fiscal year. 272

~~(E)~~ ~~(1)~~ (G) (1) At least five days before the date of any 273
meeting at which the budget commission plans to discuss the 274
distribution of the county public library fund, it shall notify 275
each legislative authority and board of public library trustees, 276
county commissioners, and township park commissioners eligible 277
to participate in the distribution of the fund of the date, 278
time, place, and agenda for the meeting. Any legislative 279
authority or board entitled to notice under this division may 280
designate an officer or employee of such legislative authority 281
or board to whom the commission shall deliver the notice. 282

(2) Before the final determination of the amount to be 283

allotted to each subdivision from any source, the commission 284
shall permit representatives of each subdivision and of each 285
board of public library trustees to appear before it to explain 286
its financial needs. 287

~~(F)~~ (H) If any public library receives and expends any 288
funds allocated to it under this section for the construction of 289
new library buildings or parts of buildings, such library shall 290
be free and open to the inhabitants of the county in which it is 291
located. Any board of library trustees that receives funds under 292
this section and section 5747.48 of the Revised Code shall have 293
its financial records open for public inspection at all 294
reasonable times. 295

Sec. 5705.321. (A) As used in this section: 296

(1) "City, located wholly or partially in the county, with 297
the greatest population" means the city, located wholly or 298
partially in the county, with the greatest population residing 299
in the county; however, if the county budget commission on or 300
before January 1, 1998, adopted an alternative method of 301
apportionment that was approved by the city, located partially 302
in the county, with the greatest population but not the greatest 303
population residing in the county, "city, located wholly or 304
partially in the county, with the greatest population" means the 305
city, located wholly or partially in the county, with the 306
greatest population whether residing in the county or not, if 307
this alternative meaning is adopted by action of the board of 308
county commissioners and a majority of the boards of township 309
trustees and legislative authorities of municipal corporations 310
located wholly or partially in the county. 311

(2) "Participating political subdivision" means a 312
municipal corporation or township that satisfies all of the 313

following: 314

(a) It is located wholly or partially in the county. 315

(b) It is not the city, located wholly or partially in the 316
county, with the greatest population. 317

(c) Public library fund moneys are apportioned to it under 318
the county's alternative method or formula of apportionment in 319
the current calendar year. 320

(B) In lieu of the method of apportionment of the county 321
public library fund provided by division ~~(C)~~(E) of section 322
5705.32 of the Revised Code, the county budget commission may 323
provide for the apportionment of the fund under an alternative 324
method or on a formula basis as authorized by this section. 325

Except as otherwise provided in division (C) of this 326
section, the alternative method of apportionment shall have 327
first been approved by all of the following governmental units: 328
the board of county commissioners; the legislative authority of 329
the city, located wholly or partially in the county, with the 330
greatest population; and a majority of the boards of township 331
trustees and legislative authorities of municipal corporations, 332
located wholly or partially in the county, excluding the 333
legislative authority of the city, located wholly or partially 334
in the county, with the greatest population. In granting or 335
denying approval for an alternative method of apportionment, the 336
board of county commissioners, boards of township trustees, and 337
legislative authorities of municipal corporations shall act by 338
motion. A motion to approve shall be passed upon a majority vote 339
of the members of a board of county commissioners, board of 340
township trustees, or legislative authority of a municipal 341
corporation, shall take effect immediately, and need not be 342

published. 343

Any alternative method of apportionment adopted and 344
approved under this division may be revised, amended, or 345
repealed in the same manner as it may be adopted and approved. 346
If an alternative method of apportionment adopted and approved 347
under this division is repealed, the county public library fund 348
shall be apportioned among the subdivisions eligible to 349
participate in the fund, commencing in the ensuing calendar 350
year, under the apportionment provided in divisions ~~(B)~~ (C) and 351
~~(C)~~ (D) of section 5705.32 of the Revised Code, unless the repeal 352
occurs by operation of division (C) of this section or a new 353
method for apportionment of the fund is provided in the action 354
of repeal. 355

(C) This division applies only in counties in which the 356
city, located wholly or partially in the county, with the 357
greatest population has a population of twenty thousand or less 358
and a population that is less than fifteen per cent of the total 359
population of the county. In such a county, the legislative 360
authorities or boards of township trustees of two or more 361
participating political subdivisions, which together have a 362
population residing in the county that is a majority of the 363
total population of the county, each may adopt a resolution to 364
exclude the approval otherwise required of the legislative 365
authority of the city, located wholly or partially in the 366
county, with the greatest population. All of the resolutions to 367
exclude that approval shall be adopted not later than the first 368
Monday of August of the year preceding the calendar year in 369
which distributions are to be made under an alternative method 370
of apportionment. 371

A motion granting or denying approval of an alternative 372

method of apportionment under this division shall be adopted by 373
a majority vote of the members of the board of county 374
commissioners and by a majority vote of a majority of the boards 375
of township trustees and legislative authorities of the 376
municipal corporations located wholly or partially in the 377
county, other than the city, located wholly or partially in the 378
county, with the greatest population, shall take effect 379
immediately, and need not be published. The alternative method 380
of apportionment under this division shall be adopted and 381
approved annually, not later than the first Monday of August of 382
the year preceding the calendar year in which distributions are 383
to be made under it. A motion granting approval of an 384
alternative method of apportionment under this division repeals 385
any existing alternative method of apportionment, effective with 386
distributions to be made from the fund in the ensuing calendar 387
year. An alternative method of apportionment under this division 388
shall not be revised or amended after the first Monday of August 389
of the year preceding the calendar year in which distributions 390
are to be made under it. 391

(D) In determining an alternative method of apportionment 392
authorized by this section, the county budget commission may 393
include in the method any factor considered to be appropriate 394
and reliable, in the sole discretion of the county budget 395
commission. 396

(E) On the basis of any alternative method of 397
apportionment adopted and approved as authorized by this 398
section, as certified by the auditor to the county treasurer, 399
the county treasurer shall make distribution of the money in the 400
county public library fund to each subdivision eligible to 401
participate in the fund, and the auditor, when the amount of 402
those shares is in the custody of the treasurer in the amounts 403

so computed to be due the respective subdivisions, shall at the 404
same time certify to the tax commissioner the percentage share 405
of the county as a subdivision. All money received into the 406
treasury of a subdivision from the county public library fund in 407
a county treasury shall be paid into the general fund and used 408
for the current operating expenses of the subdivision. 409

(F) The actions of the county budget commission taken 410
pursuant to this section are final and may not be appealed to 411
the board of tax appeals, except on the issues of abuse of 412
discretion and failure to comply with the formula. 413

Sec. 5705.60. (A) As used in this section, "qualifying 414
fixed-sum levy" means a tax levied on property at whatever rate 415
is required to produce a specified amount of tax money, 416
including a tax levied under section 5705.199 of the Revised 417
Code, but not including a tax levied in excess of the ten-mill 418
limitation to pay debt charges. 419

(B) Each year, the tax commissioner shall determine by 420
what amount, if any, the rate of a qualifying fixed sum levy 421
must be changed for the levy to produce the levy's specified 422
amount of money for the current tax year. The tax commissioner 423
shall certify the amount determined for each fixed-sum levy to 424
the appropriate county auditor by the first day of September. 425

(C) Each county auditor to whom a rate change is certified 426
under division (B) of this section shall apply the adjusted rate 427
for the current tax year. 428

Section 2. That existing sections 3317.01, 5705.31, 429
5705.32, and 5705.321 of the Revised Code are hereby repealed. 430