



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 22

131st General Assembly
(As Introduced)

Sens. Tavares, Brown, Cafaro, Gentile, Sawyer, Schiavoni, Skindell, Thomas, Williams, Yuko

BILL SUMMARY

- Increases monthly allocations to the Local Government Fund from 1.66% to 3.68% of the total amount of state tax revenue credited to the General Revenue Fund.

CONTENT AND OPERATION

Local Government Fund allocation increase

The bill increases monthly allocations to the Local Government Fund (LGF) from 1.66% to 3.68% of the total amount of state tax revenue credited to the General Revenue Fund (GRF) each month.¹

Under continuing law, payments from the LGF are made to supplement the revenue of local governments. Each month, a designated percentage – currently, 1.66% – of the total amount of state tax revenue credited to the GRF is deposited into the LGF. These amounts are then allocated among each county's undivided LGFs according to a statutory formula. Once the money is deposited into a county's undivided LGF, the county budget commission distributes the money among the county's local governments, which use the money for current expenses.

The bill essentially restores the monthly LGF earmark to the level it was at between January of 2008 and the end of FY 2011 – 3.68%. For the 2012 and 2013 fiscal years, LGF allocations were reduced by 25% and 50%, respectively, from FY 2011

¹ R.C. 131.51.

levels.² Since then, the LGF has received an earmarked percentage of GRF tax revenue based on the percentage of tax revenue allocated to the LGF in FY 2013 (1.66%).

The increase would begin to apply in the first month after the bill takes effect.³

HISTORY

ACTION	DATE
Introduced	02-02-15

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² Am. Sub. H.B. 153 of the 129th General Assembly. Under H.B. 153, counties whose distributions fell below \$750,000 were guaranteed a minimum distribution of \$750,000 in FY 2012 and FY 2013. In addition, counties whose FY 2011 distribution was below \$750,000 were protected from a decrease for those fiscal years.

³ Section 3.

