

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 602

Representatives Duffey, Lanese

Cosponsor: Representative Scherer

A BILL

To amend sections 5747.50, 5747.51, and 5747.53 and 1
to enact sections 9.662 and 5747.504 of the 2
Revised Code to penalize a municipal corporation 3
for engaging in certain actions related to its 4
provision of water and sewer services outside of 5
its territory by reducing or withholding 6
payments the municipal corporation receives from 7
the Local Government Fund and rendering the 8
municipal corporation ineligible for state water 9
and sewer development funds. 10

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

Section 1. That sections 5747.50, 5747.51, and 5747.53 be 11
amended and sections 9.662 and 5747.504 of the Revised Code be 12
enacted to read as follows: 13

Sec. 9.662. As used in this section, "noncompliant 14
municipal corporation," "predatory municipal corporation," and 15
"qualifying areawide waste treatment management plan" have the 16
same meanings as in section 5747.504 of the Revised Code. 17

The director of environmental protection, the director of 18

the Ohio public works commission, the Ohio water development 19
authority, and the director of development services may not 20
award any loan, grant, or other form of financial assistance to 21
a noncompliant or predatory municipal corporation for the 22
purpose of improving that municipal corporation's water or 23
sewerage system, except for awards of federal funds required by 24
federal law or guidelines to be awarded to the municipal 25
corporation for that purpose. The noncompliant or predatory 26
municipal corporation may qualify for such financial assistance 27
only if it is part of a qualifying areawide waste treatment 28
management plan and no longer qualifies as a noncompliant or 29
predatory municipal corporation. 30

Sec. 5747.50. (A) As used in this section: 31

(1) "County's proportionate share of the calendar year 32
2007 LGF and LGRAF distributions" means the percentage computed 33
for the county under division (B) (1) (a) of section 5747.501 of 34
the Revised Code. 35

(2) "County's proportionate share of the total amount of 36
the local government fund additional revenue formula" means each 37
county's proportionate share of the state's population as 38
determined for and certified to the county for distributions to 39
be made during the current calendar year under division (B) (2) 40
(a) of section 5747.501 of the Revised Code. If prior to the 41
first day of January of the current calendar year the federal 42
government has issued a revision to the population figures 43
reflected in the estimate produced pursuant to division (B) (2) 44
(a) of section 5747.501 of the Revised Code, such revised 45
population figures shall be used for making the distributions 46
during the current calendar year. 47

(3) "2007 LGF and LGRAF county distribution base available 48

in that month" means the lesser of the amounts described in 49
division (A) (3) (a) and (b) of this section, provided that the 50
amount shall not be less than zero: 51

(a) The total amount available for distribution to 52
counties from the local government fund during the current 53
month. 54

(b) The total amount distributed to counties from the 55
local government fund and the local government revenue 56
assistance fund to counties in calendar year 2007 less the total 57
amount distributed to counties under division (B) (1) of this 58
section during previous months of the current calendar year. 59

(4) "Local government fund additional revenue distribution 60
base available during that month" means the total amount 61
available for distribution to counties during the month from the 62
local government fund, less any amounts to be distributed in 63
that month from the local government fund under division (B) (1) 64
of this section, provided that the local government fund 65
additional revenue distribution base available during that month 66
shall not be less than zero. 67

(5) "Total amount available for distribution to counties" 68
means the total amount available for distribution from the local 69
government fund during the current month less the total amount 70
available for distribution to municipal corporations during the 71
current month under division (C) of this section. 72

(B) On or before the tenth day of each month, the tax 73
commissioner shall provide for payment to each county an amount 74
equal to the sum of: 75

(1) The county's proportionate share of the calendar year 76
2007 LGF and LGRAF distributions multiplied by the 2007 LGF and 77

LGRAF county distribution base available in that month, provided 78
that if the 2007 LGF and LGRAF county distribution base 79
available in that month is zero, no payment shall be made under 80
division (B) (1) of this section for the month or the remainder 81
of the calendar year; and 82

(2) The county's proportionate share of the total amount 83
of the local government fund additional revenue formula 84
multiplied by the local government fund additional revenue 85
distribution base available during that month. 86

Money received into the treasury of a county under this 87
division shall be credited to the undivided local government 88
fund in the treasury of the county on or before the fifteenth 89
day of each month. On or before the twentieth day of each month, 90
the county auditor shall issue warrants against all of the 91
undivided local government fund in the county treasury in the 92
respective amounts allowed as provided in section 5747.51 of the 93
Revised Code, and the treasurer shall distribute and pay such 94
sums to the subdivision therein. 95

(C) (1) As used in division (C) of this section: 96

(a) "Total amount available for distribution to 97
municipalities during the current month" means the difference 98
obtained by subtracting one million dollars from the product 99
obtained by multiplying the total amount available for 100
distribution from the local government fund during the current 101
month by the aggregate municipal share. 102

(b) "Aggregate municipal share" means the quotient 103
obtained by dividing the total amount distributed directly from 104
the local government fund to municipal corporations during 105
calendar year 2007 by the total distributions from the local 106

government fund and local government revenue assistance fund 107
during calendar year 2007. 108

(2) On or before the tenth day of each month, the tax 109
commissioner shall provide for payment from the local government 110
fund to each municipal corporation an amount equal to the 111
product derived by multiplying the municipal corporation's 112
percentage of the total amount distributed to all such municipal 113
corporations under this division during calendar year 2007 by 114
the total amount available for distribution to municipal 115
corporations during the current month. 116

(3) Payments received by a municipal corporation under 117
this division shall be paid into its general fund and may be 118
used for any lawful purpose. 119

(4) The amount distributed to municipal corporations under 120
this division during any calendar year shall not exceed the 121
amount distributed directly from the local government fund to 122
municipal corporations during calendar year 2007. If that 123
maximum amount is reached during any month, distributions to 124
municipal corporations in that month shall be as provided in 125
divisions (C) (1) and (2) of this section, but no further 126
distributions shall be made to municipal corporations under 127
division (C) of this section during the remainder of the 128
calendar year. 129

(5) Upon being informed of a municipal corporation's 130
dissolution, the tax commissioner shall cease providing for 131
payments to that municipal corporation under division (C) of 132
this section. The proportionate shares of the total amount 133
available for distribution to each of the remaining municipal 134
corporations under this division shall be increased on a pro 135
rata basis. 136

The tax commissioner shall reduce payments under division 137
(C) of this section to municipal corporations for which reduced 138
payments are required under section 5747.502 or 5747.504 of the 139
Revised Code. 140

(D) Each municipal corporation which has in effect a tax 141
imposed under Chapter 718. of the Revised Code shall, no later 142
than the thirty-first day of August of each year, certify to the 143
tax commissioner, on a form prescribed by the commissioner, the 144
amount of income tax revenue collected and refunded by such 145
municipal corporation pursuant to such chapter during the 146
preceding calendar year, arranged, when possible, by the type of 147
income from which the revenue was collected or the refund was 148
issued. The municipal corporation shall also report the amount 149
of income tax revenue collected and refunded on behalf of a 150
joint economic development district or a joint economic 151
development zone that levies an income tax administered by the 152
municipal corporation and the amount of such revenue distributed 153
to contracting parties during the preceding calendar year. The 154
tax commissioner may withhold payment of local government fund 155
moneys pursuant to division (C) of this section from any 156
municipal corporation for failure to comply with this reporting 157
requirement. 158

Sec. 5747.504. (A) As used in this section: 159

(1) "Qualifying municipal corporation" means a municipal 160
corporation that operates a municipal water or sewerage system 161
serving nonresidents and residents of the municipal corporation. 162

(2) "Noncompliant municipal corporation" means a 163
qualifying municipal corporation that does either of the 164
following: 165

(a) If the municipal corporation is required to publish a 166
plan as required under division (B) of this section, both (i) 167
fails to publish the plan by the deadline required under that 168
division and (ii) charges rates for water and sewerage services 169
to a ratepayer for property located outside the municipal 170
corporation in excess of those charged to a ratepayer for 171
property located in the municipal corporation, unless the excess 172
is reasonably related to the cost of providing water or sewerage 173
services to the property located outside the municipal 174
corporation; 175

(b) On or after January 1, 2022, charges rates for water 176
and sewerage services to a ratepayer for property located 177
outside the municipal corporation in excess of those charged to 178
a ratepayer for property located in the municipal corporation, 179
unless the excess is reasonably related to the cost of providing 180
water or sewerage services to the property located outside the 181
municipal corporation. 182

(3) "Predatory municipal corporation" means a qualifying 183
municipal corporation that does any of the following on or after 184
January 1, 2022: 185

(a) Requires, as a condition of providing water or 186
sewerage services to territory outside of the municipal 187
corporation, that such territory be annexed to the municipal 188
corporation; 189

(b) Requires, as a condition of providing water or 190
sewerage services to territory outside of the municipal 191
corporation, that a township or municipal corporation in which 192
that territory is located provide direct payments in excess of 193
those reasonably related to the cost of providing water or 194
sewerage services in that territory to the municipal corporation 195

<u>that operates the water or sewerage system;</u>	196
<u>(c) Requires a township or another municipal corporation</u>	197
<u>to comply with any requirement not reasonably related to the</u>	198
<u>cost of providing water or sewerage services in the territory of</u>	199
<u>the township or other municipal corporation as a condition of</u>	200
<u>providing water or sewerage services in such territory;</u>	201
<u>(d) Withdraws water or sewerage service or threatens to</u>	202
<u>withdraw such service from any territory of a township or</u>	203
<u>another municipal corporation for failure of that township or</u>	204
<u>municipal corporation to comply with any condition or make any</u>	205
<u>direct payment not reasonably related to the cost of providing</u>	206
<u>water or sewerage services in that territory.</u>	207
<u>(4) "Affected subdivision" means a township or municipal</u>	208
<u>corporation that is either:</u>	209
<u>(a) Subject to any of the conditions described in</u>	210
<u>divisions (A) (3) (a) to (d) of this section imposed by a</u>	211
<u>predatory municipal corporation;</u>	212
<u>(b) Has a resident whose water or sewerage rates are</u>	213
<u>different than those charged to residents of the noncompliant</u>	214
<u>municipal corporation that provides water and sewerage services</u>	215
<u>to that resident.</u>	216
<u>(5) "Annexation" means any form of annexation proceeding</u>	217
<u>or merger pursuant to Chapter 709. of the Revised Code.</u>	218
<u>(6) "Qualifying areawide waste treatment management plan"</u>	219
<u>means an areawide waste treatment management plan developed by a</u>	220
<u>designated areawide waste treatment management agency.</u>	221
<u>(7) "Designated areawide waste treatment management</u>	222
<u>agency" means an areawide waste treatment management agency</u>	223

created under 33 U.S.C. 1288 that is responsible for waste 224
treatment planning to which one of the following applies: 225

(a) If the agency is responsible for waste treatment 226
planning in two municipal corporations, not more than fifty per 227
cent of the governing board of the agency is represented by any 228
one municipal corporation. 229

(b) If the agency is responsible for waste treatment 230
planning in three or more municipal corporations, not more than 231
thirty per cent of the governing board of the agency is 232
represented by any one municipal corporation. 233

(B) A qualifying municipal corporation that, on the 234
effective date of this section, charges rates for water and 235
sewerage services to a ratepayer for property located outside 236
the municipal corporation in excess of those charged to a 237
ratepayer for property located in the municipal corporation, 238
shall do both of the following within two years after the 239
effective date of the enactment of this section: 240

(1) Develop a plan to equalize, beginning January 1, 2022, 241
the rate for water and sewerage services the municipal 242
corporation charges to a ratepayer for property located outside 243
the municipal corporation with the rate the municipal 244
corporation charges to a ratepayer for property located in the 245
municipal corporation, except to the extent such difference is 246
reasonably related to the cost of providing water or sewerage 247
services to the property located outside the municipal 248
corporation; 249

(2) Publish the plan in a newspaper of general circulation 250
within the county in which the municipal corporation is located 251
once a week for three consecutive weeks. 252

(C) (1) A noncompliant municipal corporation shall notify 253
the tax commissioner that the municipal corporation is a 254
noncompliant municipal corporation within ten days after the 255
date on which the municipal corporation becomes a noncompliant 256
municipal corporation. 257

(2) The tax commissioner, upon receipt of a notice 258
described in division (C) (1) of this section or upon discovery, 259
on the basis of information in the commissioner's possession, 260
that a municipal corporation is a noncompliant municipal 261
corporation, shall do all of the following: 262

(a) Reduce by twenty per cent each payment the 263
noncompliant municipal corporation would otherwise receive under 264
division (C) of section 5747.50 of the Revised Code, beginning 265
with the next required payment, and reduce payments to the 266
appropriate county undivided local government fund under 267
division (B) of section 5747.50 of the Revised Code by an amount 268
equal to twenty per cent of the payment the municipal 269
corporation would otherwise receive under section 5747.503, 270
5747.51, or 5747.53 of the Revised Code, beginning with the next 271
required payment; 272

(b) Immediately notify the county auditor and county 273
treasurer that such payments to the noncompliant municipal 274
corporation are to be reduced by twenty per cent until the tax 275
commissioner notifies the auditor and treasurer under division 276
(C) (3) (b) of this section that the reduction shall terminate. 277

The county treasurer shall reduce the amount of such 278
payments to the noncompliant municipal corporation from the 279
undivided local government fund beginning with the payment 280
specified by the tax commissioner. 281

(c) Immediately notify the director of environmental 282
protection, the director of the Ohio public works commission, 283
the chairperson of the Ohio water development authority, and the 284
director of development services that the municipal corporation 285
is a noncompliant municipal corporation and is not eligible to 286
be awarded any funding described in section 9.662 of the Revised 287
Code. 288

(3) A municipal corporation subject to the reductions 289
required under division (C)(2) of this section may notify the 290
tax commissioner that the municipal corporation is no longer a 291
noncompliant municipal corporation. Upon receiving that notice, 292
the commissioner shall do all of the following if the 293
commissioner determines that the municipal corporation is no 294
longer a noncompliant municipal corporation and that the 295
municipal corporation is part of a qualifying areawide waste 296
treatment management plan: 297

(a) Terminate the reduction, under division (C)(2)(a) of 298
this section, in the amount of payments to the county's 299
undivided local government fund and in the amount of payments to 300
the municipal corporation under division (C) of section 5747.50 301
of the Revised Code beginning with the next required payments; 302

(b) Immediately notify the county auditor and county 303
treasurer that the treasurer shall terminate the reduction in 304
the amount of payments from the undivided local government fund 305
to the municipal corporation under section 5747.503, 5747.51, or 306
5747.53 of the Revised Code. 307

The county treasurer shall provide for payments to the 308
formerly noncompliant municipal corporation from the undivided 309
local government fund as provided by sections 5747.503, 5747.51, 310
and 5747.53 of the Revised Code beginning with the payment 311

specified by the tax commissioner. 312

(c) Immediately notify the director of environmental 313
protection, the director of the Ohio public works commission, 314
the chairperson of the Ohio water development authority, and the 315
director of development services that the municipal corporation 316
is again eligible for funding described in section 9.662 of the 317
Revised Code. 318

(D) (1) A predatory municipal corporation shall notify the 319
tax commissioner that the municipal corporation is a predatory 320
municipal corporation within ten days after the effective date 321
of the enactment of this section or, if the municipal 322
corporation becomes a predatory municipal corporation after that 323
date, within ten days after the date on which the municipal 324
corporation becomes a predatory municipal corporation. 325

(2) The tax commissioner, upon receipt of a notice 326
described in division (D) (1) of this section or upon discovery, 327
on the basis of information in the commissioner's possession, 328
that a municipal corporation is a predatory municipal 329
corporation, shall do all of the following: 330

(a) Cease providing for payments to the municipal 331
corporation under division (C) of section 5747.50 of the Revised 332
Code, beginning with the next required payment, and reduce 333
payments to the appropriate county undivided local government 334
fund under division (B) of section 5747.50 of the Revised Code 335
by an amount equal to the payments the municipal corporation 336
would otherwise receive under section 5747.503, 5747.51, or 337
5747.53 of the Revised Code, beginning with the next required 338
payment; 339

(b) Immediately notify the county auditor and county 340

treasurer that such payments are to cease until the tax 341
commissioner notifies the auditor and treasurer under division 342
(D) (3) (b) of this section that the payments are to resume. 343

The county treasurer shall cease providing for payments to 344
the predatory municipal corporation from the undivided local 345
government fund beginning with the payment specified by the tax 346
commissioner. 347

(c) Immediately notify the director of environmental 348
protection, the director of the Ohio public works commission, 349
the chairperson of the Ohio water development authority, and the 350
director of development services that the municipal corporation 351
is a predatory municipal corporation and is not eligible to be 352
awarded any funding described in section 9.662 of the Revised 353
Code. 354

(3) A municipal corporation subject to the reductions 355
required under division (D) (2) of this section may notify the 356
tax commissioner that the municipal corporation is no longer a 357
predatory municipal corporation. Upon receiving that notice, the 358
commissioner shall do all of the following if the commissioner 359
determines that the municipal corporation is no longer a 360
predatory municipal corporation and that the municipal 361
corporation is part of a qualifying areawide waste treatment 362
management plan: 363

(a) Resume payments to the municipal corporation as 364
required under division (C) of section 5747.50 of the Revised 365
Code, and resume payments to the county's undivided local 366
government fund to the extent such payments were reduced under 367
division (D) (2) (a) of this section, beginning with the next 368
required payment; 369

(b) Immediately notify the county auditor and county treasurer that the treasurer shall resume payments from the undivided local government fund to the municipal corporation under section 5747.503, 5747.51, or 5747.53 of the Revised Code. 370
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The county treasurer shall resume payments to the municipal corporation from the undivided local government fund beginning with the payment specified by the tax commissioner. 374
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(c) Immediately notify the director of environmental protection, the director of the Ohio public works commission, the chairperson of the Ohio water development authority, and the director of development services that the municipal corporation is eligible for funding described in section 9.662 of the Revised Code. 377
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(E) The tax commissioner shall provide for payment of an amount equal to amounts withheld from a noncompliant or predatory municipal corporation under divisions (C) (2) (a) and (D) (2) (a) of this section, respectively, to each affected subdivision affected by, or with a resident affected by, that municipal corporation under division (A) (3) (a) or (b) of this section. The payment to each such subdivision shall be in the proportion that the population of that subdivision bears to the total population of all such affected subdivisions, as determined by the most recent federal decennial census. 383
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(F) An affected subdivision shall use money received under division (E) of this section for the current operating expenses of the subdivision. 393
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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 396
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of the local government fund to be allocated to the undivided 399
local government fund of each county for the ensuing calendar 400
year, adjusting the total as required to account for 401
subdivisions receiving local government funds under section 402
5747.502 of the Revised Code. 403

(B) At each annual regular session of the county budget 404
commission convened pursuant to section 5705.27 of the Revised 405
Code, each auditor shall present to the commission the 406
certificate of the commissioner, the annual tax budget and 407
estimates, and the records showing the action of the commission 408
in its last preceding regular session. The commission, after 409
extending to the representatives of each subdivision an 410
opportunity to be heard, under oath administered by any member 411
of the commission, and considering all the facts and information 412
presented to it by the auditor, shall determine the amount of 413
the undivided local government fund needed by and to be 414
apportioned to each subdivision for current operating expenses, 415
as shown in the tax budget of the subdivision. This 416
determination shall be made pursuant to divisions (C) to (I) of 417
this section, unless the commission has provided for a formula 418
pursuant to section 5747.53 of the Revised Code. The 419
~~commissioner commission shall reduce or increase adjust~~ the 420
amount of funds from the undivided local government fund to a 421
subdivision as required to receive reduced or increased funds
~~under by~~ section 5747.502 or 5747.504 of the Revised Code. 423

Nothing in this section prevents the budget commission, 424
for the purpose of apportioning the undivided local government 425
fund, from inquiring into the claimed needs of any subdivision 426
as stated in its tax budget, or from adjusting claimed needs to 427
reflect actual needs. For the purposes of this section, "current 428
operating expenses" means the lawful expenditures of a 429

subdivision, except those for permanent improvements and except 430
payments for interest, sinking fund, and retirement of bonds, 431
notes, and certificates of indebtedness of the subdivision. 432

(C) The commission shall determine the combined total of 433
the estimated expenditures, including transfers, from the 434
general fund and any special funds other than special funds 435
established for road and bridge; street construction, 436
maintenance, and repair; state highway improvement; and gas, 437
water, sewer, and electric public utilities operated by a 438
subdivision, as shown in the subdivision's tax budget for the 439
ensuing calendar year. 440

(D) From the combined total of expenditures calculated 441
pursuant to division (C) of this section, the commission shall 442
deduct the following expenditures, if included in these funds in 443
the tax budget: 444

(1) Expenditures for permanent improvements as defined in 445
division (E) of section 5705.01 of the Revised Code; 446

(2) In the case of counties and townships, transfers to 447
the road and bridge fund, and in the case of municipalities, 448
transfers to the street construction, maintenance, and repair 449
fund and the state highway improvement fund; 450

(3) Expenditures for the payment of debt charges; 451

(4) Expenditures for the payment of judgments. 452

(E) In addition to the deductions made pursuant to 453
division (D) of this section, revenues accruing to the general 454
fund and any special fund considered under division (C) of this 455
section from the following sources shall be deducted from the 456
combined total of expenditures calculated pursuant to division 457
(C) of this section: 458

(1) Taxes levied within the ten-mill limitation, as	459
defined in section 5705.02 of the Revised Code;	460
(2) The budget commission allocation of estimated county	461
public library fund revenues to be distributed pursuant to	462
section 5747.48 of the Revised Code;	463
(3) Estimated unencumbered balances as shown on the tax	464
budget as of the thirty-first day of December of the current	465
year in the general fund, but not any estimated balance in any	466
special fund considered in division (C) of this section;	467
(4) Revenue, including transfers, shown in the general	468
fund and any special funds other than special funds established	469
for road and bridge; street construction, maintenance, and	470
repair; state highway improvement; and gas, water, sewer, and	471
electric public utilities, from all other sources except those	472
that a subdivision receives from an additional tax or service	473
charge voted by its electorate or receives from special	474
assessment or revenue bond collection. For the purposes of this	475
division, where the charter of a municipal corporation prohibits	476
the levy of an income tax, an income tax levied by the	477
legislative authority of such municipal corporation pursuant to	478
an amendment of the charter of that municipal corporation to	479
authorize such a levy represents an additional tax voted by the	480
electorate of that municipal corporation. For the purposes of	481
this division, any measure adopted by a board of county	482
commissioners pursuant to section 322.02, 4504.02, or 5739.021	483
of the Revised Code, including those measures upheld by the	484
electorate in a referendum conducted pursuant to section	485
322.021, 4504.021, or 5739.022 of the Revised Code, shall not be	486
considered an additional tax voted by the electorate.	487
Subject to division (G) of section 5705.29 of the Revised	488

Code, money in a reserve balance account established by a 489
county, township, or municipal corporation under section 5705.13 490
of the Revised Code shall not be considered an unencumbered 491
balance or revenue under division (E) (3) or (4) of this section. 492
Money in a reserve balance account established by a township 493
under section 5705.132 of the Revised Code shall not be 494
considered an unencumbered balance or revenue under division (E) 495
(3) or (4) of this section. 496

If a county, township, or municipal corporation has 497
created and maintains a nonexpendable trust fund under section 498
5705.131 of the Revised Code, the principal of the fund, and any 499
additions to the principal arising from sources other than the 500
reinvestment of investment earnings arising from such a fund, 501
shall not be considered an unencumbered balance or revenue under 502
division (E) (3) or (4) of this section. Only investment earnings 503
arising from investment of the principal or investment of such 504
additions to principal may be considered an unencumbered balance 505
or revenue under those divisions. 506

(F) The total expenditures calculated pursuant to division 507
(C) of this section, less the deductions authorized in divisions 508
(D) and (E) of this section, shall be known as the "relative 509
need" of the subdivision, for the purposes of this section. 510

(G) The budget commission shall total the relative need of 511
all participating subdivisions in the county, and shall compute 512
a relative need factor by dividing the total estimate of the 513
undivided local government fund by the total relative need of 514
all participating subdivisions. 515

(H) The relative need of each subdivision shall be 516
multiplied by the relative need factor to determine the 517
proportionate share of the subdivision in the undivided local 518

government fund of the county; provided, that the maximum 519
proportionate share of a county shall not exceed the following 520
maximum percentages of the total estimate of the undivided local 521
government fund governed by the relationship of the percentage 522
of the population of the county that resides within municipal 523
corporations within the county to the total population of the 524
county as reported in the reports on population in Ohio by the 525
~~department of development services agency~~ as of the twentieth 526
day of July of the year in which the tax budget is filed with 527
the budget commission: 528

	Percentage share of	529
Percentage of municipal	the county shall	530
population within the county:	not exceed:	531
Less than forty-one per cent	Sixty per cent	532
Forty-one per cent or more but	Fifty per cent	533
less than eighty-one per cent		534
Eighty-one per cent or more	Thirty per cent	535

Where the proportionate share of the county exceeds the 536
limitations established in this division, the budget commission 537
shall adjust the proportionate shares determined pursuant to 538
this division so that the proportionate share of the county does 539
not exceed these limitations, and it shall increase the 540
proportionate shares of all other subdivisions on a pro rata 541
basis. In counties having a population of less than one hundred 542
thousand, not less than ten per cent shall be distributed to the 543
townships therein. 544

(I) The proportionate share of each subdivision in the 545
undivided local government fund determined pursuant to division 546
(H) of this section for any calendar year shall not be less than 547

the product of the average of the percentages of the undivided 548
local government fund of the county as apportioned to that 549
subdivision for the calendar years 1968, 1969, and 1970, 550
multiplied by the total amount of the undivided local government 551
fund of the county apportioned pursuant to former section 552
5735.23 of the Revised Code for the calendar year 1970. For the 553
purposes of this division, the total apportioned amount for the 554
calendar year 1970 shall be the amount actually allocated to the 555
county in 1970 from the state collected intangible tax as levied 556
by section 5707.03 of the Revised Code and distributed pursuant 557
to section 5725.24 of the Revised Code, plus the amount received 558
by the county in the calendar year 1970 pursuant to division (B) 559
(1) of former section 5739.21 of the Revised Code, and 560
distributed pursuant to former section 5739.22 of the Revised 561
Code. If the total amount of the undivided local government fund 562
for any calendar year is less than the amount of the undivided 563
local government fund apportioned pursuant to former section 564
5739.23 of the Revised Code for the calendar year 1970, the 565
minimum amount guaranteed to each subdivision for that calendar 566
year pursuant to this division shall be reduced on a basis 567
proportionate to the amount by which the amount of the undivided 568
local government fund for that calendar year is less than the 569
amount of the undivided local government fund apportioned for 570
the calendar year 1970. 571

(J) On the basis of such apportionment, the county auditor 572
shall compute the percentage share of each such subdivision in 573
the undivided local government fund and shall at the same time 574
certify to the tax commissioner the percentage share of the 575
county as a subdivision. No payment shall be made from the 576
undivided local government fund, except in accordance with such 577
percentage shares. 578

Within ten days after the budget commission has made its 579
apportionment, whether conducted pursuant to section 5747.51 or 580
5747.53 of the Revised Code, the auditor shall publish a list of 581
the subdivisions and the amount each is to receive from the 582
undivided local government fund and the percentage share of each 583
subdivision, in a newspaper or newspapers of countywide 584
circulation, and send a copy of such allocation to the tax 585
commissioner. 586

The county auditor shall also send a copy of such 587
allocation by ordinary or electronic mail to the fiscal officer 588
of each subdivision entitled to participate in the allocation of 589
the undivided local government fund of the county. This copy 590
shall constitute the official notice of the commission action 591
referred to in section 5705.37 of the Revised Code. 592

All money received into the treasury of a subdivision from 593
the undivided local government fund in a county treasury shall 594
be paid into the general fund and used for the current operating 595
expenses of the subdivision. 596

If a municipal corporation maintains a municipal 597
university, such municipal university, when the board of 598
trustees so requests the legislative authority of the municipal 599
corporation, shall participate in the money apportioned to such 600
municipal corporation from the total local government fund, 601
however created and constituted, in such amount as requested by 602
the board of trustees, provided such sum does not exceed nine 603
per cent of the total amount paid to the municipal corporation. 604

If any public official fails to maintain the records 605
required by sections 5747.50 to 5747.55 of the Revised Code or 606
by the rules issued by the tax commissioner, the auditor of 607
state, or the treasurer of state pursuant to such sections, or 608

fails to comply with any law relating to the enforcement of such 609
sections, the local government fund money allocated to the 610
county may be withheld until such time as the public official 611
has complied with such sections or such law or the rules issued 612
pursuant thereto. 613

Sec. 5747.53. (A) As used in this section: 614

(1) "City, located wholly or partially in the county, with 615
the greatest population" means the city, located wholly or 616
partially in the county, with the greatest population residing 617
in the county; however, if the county budget commission on or 618
before January 1, 1998, adopted an alternative method of 619
apportionment that was approved by the legislative authority of 620
the city, located partially in the county, with the greatest 621
population but not the greatest population residing in the 622
county, "city, located wholly or partially in the county, with 623
the greatest population" means the city, located wholly or 624
partially in the county, with the greatest population whether 625
residing in the county or not, if this alternative meaning is 626
adopted by action of the board of county commissioners and a 627
majority of the boards of township trustees and legislative 628
authorities of municipal corporations located wholly or 629
partially in the county. 630

(2) "Participating political subdivision" means a 631
municipal corporation or township that satisfies all of the 632
following: 633

(a) It is located wholly or partially in the county. 634

(b) It is not the city, located wholly or partially in the 635
county, with the greatest population. 636

(c) Undivided local government fund moneys are apportioned 637

to it under the county's alternative method or formula of 638
apportionment in the current calendar year. 639

(B) In lieu of the method of apportionment of the 640
undivided local government fund of the county provided by 641
section 5747.51 of the Revised Code, the county budget 642
commission may provide for the apportionment of the fund under 643
an alternative method or on a formula basis as authorized by 644
this section. The ~~commissioner commission shall reduce or~~ 645
~~increase adjust~~ the amount of funds from the undivided local 646
government fund to a subdivision as required to receive reduced 647
~~or increased funds under by~~ section 5747.502 or 5747.504 of the 648
Revised Code. 649

Except as otherwise provided in division (C) of this 650
section, the alternative method of apportionment shall have 651
first been approved by all of the following governmental units: 652
the board of county commissioners; the legislative authority of 653
the city, located wholly or partially in the county, with the 654
greatest population; and a majority of the boards of township 655
trustees and legislative authorities of municipal corporations, 656
located wholly or partially in the county, excluding the 657
legislative authority of the city, located wholly or partially 658
in the county, with the greatest population. In granting or 659
denying approval for an alternative method of apportionment, the 660
board of county commissioners, boards of township trustees, and 661
legislative authorities of municipal corporations shall act by 662
motion. A motion to approve shall be passed upon a majority vote 663
of the members of a board of county commissioners, board of 664
township trustees, or legislative authority of a municipal 665
corporation, shall take effect immediately, and need not be 666
published. 667

Any alternative method of apportionment adopted and 668
approved under this division may be revised, amended, or 669
repealed in the same manner as it may be adopted and approved. 670
If an alternative method of apportionment adopted and approved 671
under this division is repealed, the undivided local government 672
fund of the county shall be apportioned among the subdivisions 673
eligible to participate in the fund, commencing in the ensuing 674
calendar year, under the apportionment provided in section 675
5747.52 of the Revised Code, unless the repeal occurs by 676
operation of division (C) of this section or a new method for 677
apportionment of the fund is provided in the action of repeal. 678

(C) This division applies only in counties in which the 679
city, located wholly or partially in the county, with the 680
greatest population has a population of twenty thousand or less 681
and a population that is less than fifteen per cent of the total 682
population of the county. In such a county, the legislative 683
authorities or boards of township trustees of two or more 684
participating political subdivisions, which together have a 685
population residing in the county that is a majority of the 686
total population of the county, each may adopt a resolution to 687
exclude the approval otherwise required of the legislative 688
authority of the city, located wholly or partially in the 689
county, with the greatest population. All of the resolutions to 690
exclude that approval shall be adopted not later than the first 691
Monday of August of the year preceding the calendar year in 692
which distributions are to be made under an alternative method 693
of apportionment. 694

A motion granting or denying approval of an alternative 695
method of apportionment under this division shall be adopted by 696
a majority vote of the members of the board of county 697
commissioners and by a majority vote of a majority of the boards 698

of township trustees and legislative authorities of the 699
municipal corporations located wholly or partially in the 700
county, other than the city, located wholly or partially in the 701
county, with the greatest population, shall take effect 702
immediately, and need not be published. The alternative method 703
of apportionment under this division shall be adopted and 704
approved annually, not later than the first Monday of August of 705
the year preceding the calendar year in which distributions are 706
to be made under it. A motion granting approval of an 707
alternative method of apportionment under this division repeals 708
any existing alternative method of apportionment, effective with 709
distributions to be made from the fund in the ensuing calendar 710
year. An alternative method of apportionment under this division 711
shall not be revised or amended after the first Monday of August 712
of the year preceding the calendar year in which distributions 713
are to be made under it. 714

(D) In determining an alternative method of apportionment 715
authorized by this section, the county budget commission may 716
include in the method any factor considered to be appropriate 717
and reliable, in the sole discretion of the county budget 718
commission. 719

(E) The limitations set forth in section 5747.51 of the 720
Revised Code, stating the maximum amount that the county may 721
receive from the undivided local government fund and the minimum 722
amount the townships in counties having a population of less 723
than one hundred thousand may receive from the fund, are 724
applicable to any alternative method of apportionment authorized 725
under this section. 726

(F) On the basis of any alternative method of 727
apportionment adopted and approved as authorized by this 728

section, as certified by the auditor to the county treasurer, 729
the county treasurer shall make distribution of the money in the 730
undivided local government fund to each subdivision eligible to 731
participate in the fund, and the auditor, when the amount of 732
those shares is in the custody of the treasurer in the amounts 733
so computed to be due the respective subdivisions, shall at the 734
same time certify to the tax commissioner the percentage share 735
of the county as a subdivision. All money received into the 736
treasury of a subdivision from the undivided local government 737
fund in a county treasury shall be paid into the general fund 738
and used for the current operating expenses of the subdivision. 739
If a municipal corporation maintains a municipal university, the 740
university, when the board of trustees so requests the 741
legislative authority of the municipal corporation, shall 742
participate in the money apportioned to the municipal 743
corporation from the total local government fund, however 744
created and constituted, in the amount requested by the board of 745
trustees, provided that amount does not exceed nine per cent of 746
the total amount paid to the municipal corporation. 747

(G) The actions of the county budget commission taken 748
pursuant to this section are final and may not be appealed to 749
the board of tax appeals, except on the issues of abuse of 750
discretion and failure to comply with the formula. 751

Section 2. That existing sections 5747.50, 5747.51, and 752
5747.53 of the Revised Code are hereby repealed. 753

Section 3. Section 5747.51 of the Revised Code is 754
presented in this act as a composite of the section as amended 755
by both Sub. H.B. 166 and Sub. H.B. 390 of the 131st General 756
Assembly. The General Assembly, applying the principle stated in 757
division (B) of section 1.52 of the Revised Code that amendments 758

are to be harmonized if reasonably capable of simultaneous	759
operation, finds that the composite is the resulting version of	760
the section in effect prior to the effective date of the section	761
as presented in this act.	762