



Richard Bloedel

Bill Analysis
Legislative Service Commission

H.B. 185

123rd General Assembly
(As Passed by the House)

Reps. Myers, Peterson, Mottley, Young, Cates, Opfer, Schuler, Krebs, Evans, Verich, Krupinski, Hartnett, Austria, Tiberi, Metelsky, Buchy, Netzley, Corbin, Core, Brading, Haines, Grendell, Hollister, Carey, Householder, Healy, Olman, Harris

BILL SUMMARY

- Requires that alternative apportionment of the undivided local government fund and undivided local government revenue assistance fund by a county budget commission be subject to approval of the legislative authority of the city having the greatest population residing in the county, rather than the city having the greatest population.

CONTENT AND OPERATION

Background: Local Government Fund and Local Government Revenue Assistance Fund

The Local Government Fund (LGF) and the Local Government Revenue Assistance Fund (LGRAF) are state funds comprised of portions of the state personal income, corporation franchise, public utility excise, sales, and storage and use taxes. These state funds are distributed to the general funds of counties, municipal corporations, townships, and park districts to be used for general operating expenses. In the case of the LGF, a portion of the fund is distributed to municipal corporations that levy an income tax; however, the greatest portion of the fund is distributed "by county" for redistribution to eligible subdivisions in each county. For both the LGF and the LGRAF, the portion of the fund to be divided among the eligible subdivisions in each county is referred to as the "undivided local government fund" and the "undivided local government revenue assistance fund."

The county budget commission oversees the allocation of the undivided funds among the eligible subdivisions by a statutory formula or by an alternative formula approved by (1) the board of county commissioners of that county, (2) the

legislative authority of the city, located wholly or partially in the county, with the greatest population, and (3) a majority of the boards of township trustees and legislative authorities of municipal corporations, located wholly or partially in the county (excluding the city with the greatest population).¹ (Secs. 5747.50 to 5747.63.)

Changes proposed by the bill

The bill changes which city must approve an alternative formula for distributing an undivided local government fund and an undivided local government revenue assistance fund from the city, located wholly or partially in the county, with the greatest population--to the city, located wholly or partially in the county, with the greatest population *residing in the county*. (Secs. 5747.53(A) and 5747.63(A).)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-16-99	p. 199
Reported, H. Local Gov't & Townships	03-22-99	p. 326
Passed House (93-2)	03-24-99	pp. 353-354

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¹ *The county budget commission consists of the county auditor, county treasurer, and prosecuting attorney. (Sec. 5705.27.)*