

As Reported by the House Ways and Means Committee

124th General Assembly

Regular Session

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Sub. H. B. No. 129

REPRESENTATIVES Webster, Boccieri, Peterson, Cates, Jolivette, Hughes,
Allen, Husted, Calvert, Hoops, Faber, Carey, Carano, Coates

A BILL

To amend sections 118.13, 3315.40, 3316.12, 3318.07, 1
5705.281, 5705.29, 5705.30, 5705.31, 5705.32, 2
5705.34, 5705.341, 5705.35, 5705.38, and 5705.51 of 3
the Revised Code to permit a county budget 4
commission to waive the requirement that a taxing 5
authority adopt a tax budget for a subdivision or 6
taxing unit. 7

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

Section 1. That sections 118.13, 3315.40, 3316.12, 3318.07, 8
5705.281, 5705.29, 5705.30, 5705.31, 5705.32, 5705.34, 5705.341, 9
5705.35, 5705.38, and 5705.51 of the Revised Code be amended to 10
read as follows: 11

Sec. 118.13. (A) No appropriation measure may be adopted 12
contrary to the financial plan approved by the financial planning 13
and supervision commission. Any existing appropriation measure 14
inconsistent with the approved financial plan is ineffective for 15
purposes of any expenditures to the extent it authorizes 16
expenditures in excess of the revenues available after approval of 17
the financial plan, and shall be amended promptly by the 18
legislative authority of the municipal corporation, county, or 19

township to be consistent with the financial plan. Any 20
appropriation measure prior to approval by the legislative 21
authority of the municipal corporation, county, or township shall 22
be submitted to the commission or, when authorized by the 23
commission, the financial supervisor for review to determine 24
whether the measure is consistent with the financial plan. The 25
municipal corporation, county, or township, through the 26
appropriate representatives of the legislative authority and the 27
fiscal officer, shall cooperate with the commission or the 28
financial supervisor in such review. The commission or the 29
financial supervisor shall advise of any modifications in such 30
appropriation measure deemed necessary to conform to the financial 31
plan. 32

(B) Prior to giving a certificate of estimated resources or 33
amendment thereof to the municipal corporation, county, or 34
township, the county budget commission shall consult with the 35
commission, and the commission shall revise such certificate or 36
amended certificate in any respect in which the certificate or 37
amended certificate is, in its judgment, inconsistent with the 38
financial plan. 39

(C) Any tax budget of the municipal corporation, county, or 40
township shall be consistent with the financial plan approved by 41
the commission. Before submitting the tax budget to the county 42
auditor, the municipal corporation, county, or township shall 43
submit such tax budget to the commission and shall cooperate with 44
the commission in its review of such tax budget. The municipal 45
corporation, county, or township shall make such modifications in 46
the tax budget as the commission determines to be necessary to 47
conform to the financial plan. If the municipal corporation, 48
county, or township fails to make such modifications, the 49
commission shall certify to the budget commission the 50
modifications necessary to conform to the financial plan, and the 51

budget commission shall make such modifications. This division 52
does not apply to a county, township, or municipal corporation for 53
which the county budget commission has waived the requirement to 54
adopt a tax budget pursuant to section 5705.281 of the Revised 55
Code. 56

(D) Nothing in this section, and no delay or failure or 57
refusal to act under or comply with the provisions of this 58
section, delays, modifies, or affects the expenditure restrictions 59
contained in section 118.12 of the Revised Code. 60

(E) For purposes of the financial plan, tax budgets, and 61
certificates of estimated resources, the revenue estimates shall 62
not include revenues conditioned upon future favorable action by 63
the electorate of the municipal corporation, county, or township 64
or by the general assembly or congress, other than appropriations 65
of moneys for existing and continuing programs at current levels. 66
The estimate of revenues for any month shall separately state and 67
designate as conditional those revenues which are conditioned upon 68
the future issuance of debt obligations, transfers of funds, 69
advances from funds, payments or reimbursements from the sale of 70
debt obligations, sale of capital assets of the municipal 71
corporation, county, or township, increases in utility rates and 72
other charges, or imposition or increase in taxes, and shall be 73
accompanied by documentation showing that the council or official 74
with authority to act to achieve realization of such conditional 75
revenues ~~have~~ has acted in time for realization of such revenues 76
in the month or months indicated. In any event, there shall not be 77
included any source or amount which in the judgment of the 78
commission, or when authorized by the commission, the financial 79
supervisor, is uncertain of realization to form a proper basis for 80
financial planning or budgeting. 81

Sec. 3315.40. The board of education of a city, local, 82

exempted village, or joint vocational school district or the 83
governing board of any educational service center may establish an 84
education foundation fund. Moneys in the fund shall consist of 85
proceeds paid into the fund under division (B) of section 3313.36 86
of the Revised Code. In addition, by resolution adopted by a 87
majority of its members, a city, local, exempted village, or joint 88
vocational board may annually direct the school district treasurer 89
to pay into the education foundation fund an amount from the 90
school district general fund not to exceed one-half of one per 91
cent of the total ~~estimated appropriations included in~~ of the 92
school district's tax budget adopted pursuant to section 5705.28 93
~~of the Revised Code~~ district as estimated by the board at the time 94
the resolution is adopted or as set forth in the annual 95
appropriation measure as most recently amended or supplemented; 96
and any governing board, by resolution adopted by a majority of 97
its members, may annually direct the service center treasurer to 98
pay into the education foundation fund an amount not to exceed 99
one-half of one per cent of the funds received by the governing 100
board pursuant to section 3317.11 of the Revised Code. 101

Income from the investment of moneys in the fund shall be 102
paid into the fund. A board, by resolution adopted by a majority 103
of its members, may accept a trust created under section 3315.41 104
of the Revised Code for the investment of money in the educational 105
foundation fund and direct the school district or service center 106
treasurer to pay to the trustee, the initial trust principal 107
contemplated by the instrument creating the trust. A board that 108
has accepted a trust created under section 3315.41 of the Revised 109
Code may do any of the following by resolution adopted by a 110
majority of its members: direct the school district or service 111
center treasurer to pay additional amounts to the trust principal, 112
amend the trust, revoke the trust, or provide for payment of 113
compensation to the trustee. 114

Moneys in the fund shall be expended only by resolution 115
adopted by a majority of the members of the board for operating or 116
capital costs of any existing or new and innovative program 117
designed to enhance or promote education within the district or 118
service center, such as scholarships for students or teachers. 119

A board of education or governing board may appoint a 120
committee of administrators to administer the education foundation 121
fund and to make recommendations for the use of the fund. Members 122
of the committee shall serve at the discretion of the appointing 123
board. Members shall receive no compensation, but may be 124
reimbursed for actual and necessary expenses incurred in the 125
performance of their official duties. 126

Sec. 3316.12. (A) No appropriation measure may be adopted nor 127
any expenditure made contrary to the financial recovery plan 128
adopted by a school district financial planning and supervision 129
commission. Any existing appropriation measure inconsistent with 130
the adopted financial recovery plan is ineffective for purposes of 131
any expenditures to the extent that it authorizes expenditures in 132
excess of the revenues available after adoption of the financial 133
recovery plan, and, if not amended by the commission, shall be 134
amended promptly by the board of education of the school district 135
to be consistent with the plan. Any appropriation measure prior to 136
approval by the board of education of the school district shall be 137
submitted to the commission for review to determine whether the 138
measure is consistent with the financial recovery plan. The school 139
district, through the appropriate representatives of the board of 140
education and the fiscal officer, shall cooperate with the 141
commission in this review. The commission shall report any 142
modifications in the appropriation measure considered necessary to 143
conform to the financial recovery plan. 144

(B) Prior to giving a certificate of estimated resources or 145

amendment of it to the school district, the county budget 146
commission shall consult with the commission, and the commission 147
shall revise the certificate or amended certificate in any respect 148
in which the certificate or amended certificate is, in its 149
judgment, inconsistent with the financial recovery plan. 150

(C) Any tax budget of the school district shall be consistent 151
with the financial recovery plan approved by the commission. 152
Before submitting a tax budget to the county auditor, the school 153
district board of education shall submit the tax budget to the 154
commission for amendments. The commission shall make such 155
modifications in the tax budget as the commission determines to be 156
necessary to conform to the financial recovery plan. This division 157
does not apply to a school district for which the county budget 158
commission has waived the requirement to adopt a tax budget 159
pursuant to section 5705.281 of the Revised Code. 160

(D) For purposes of the financial recovery plan, tax budgets, 161
and certificates of estimated resources, the revenue estimates 162
shall not include revenues conditioned upon future favorable 163
action by the electorate of the school district or by the general 164
assembly or congress, other than appropriations of moneys for 165
existing and continuing programs at current levels. The estimate 166
of revenues for any month shall separately state and designate as 167
conditional those revenues that are conditioned upon the future 168
issuance of debt obligations, transfers of funds, advances from 169
funds, payments or reimbursements from the sale of debt 170
obligations, sale of capital assets of the school district, 171
increases in or implementation of fees or other charges, or 172
imposition of or increases in taxes, and shall be accompanied by 173
documentation showing that the officials with authority to act to 174
achieve realization of such conditional revenues have acted in 175
time for realization of such revenues in the month or months 176
indicated. In any event, there shall not be included any source or 177

amount that in the judgment of the commission is uncertain of 178
realization to form a proper basis for financial planning or 179
budgeting. 180

Sec. 3318.07. The board of elections shall certify the result 181
of the election to the tax commissioner, to the auditor of the 182
county or counties in which the school district is located, to the 183
treasurer of the school district board, and to the Ohio school 184
facilities commission. The necessary tax levy for debt service on 185
the bonds shall be included in the annual tax budget that is 186
certified to the county budget commission or, if adoption of the 187
tax budget is waived under section 5705.281 of the Revised Code, 188
included among the tax rates required to be provided to the budget 189
commission under that section. 190

Sec. 5705.281. ~~If Notwithstanding section 5705.28 of the~~ 191
~~Revised Code, the county budget commission has provided for the~~ 192
~~apportionment of the county undivided local government fund and~~ 193
~~the county undivided local government revenue assistance fund~~ 194
~~under an alternative method or formula basis pursuant to sections~~ 195
~~5747.53 and 5747.63 of the Revised Code for any fiscal year, the~~ 196
commission, by an affirmative vote of a majority of the 197
commission, including an affirmative vote by the county auditor, 198
may waive the requirement that the taxing authority of a 199
subdivision or other taxing unit ~~entitled to a share of such fund~~ 200
adopt a tax budget as provided under section ~~5709.28~~ 5705.28 of 201
the Revised Code, ~~or may permit~~ but shall require such a taxing 202
authority to ~~adopt a tax budget containing only~~ provide such 203
information as may be required by the commission to ~~apportion~~ 204
~~those funds under the alternative method or formula,~~ 205
~~notwithstanding any provision for a tax budget in the resolution~~ 206
~~approving the alternative method or formula~~ perform its duties 207
under this chapter, including the rate of each of the 208

subdivision's or taxing unit's tax levies as divided under section 209
5705.04 of the Revised Code. 210

Sec. 5705.29. This section does not apply to a subdivision or 211
taxing unit for which the county budget commission has waived the 212
requirement to adopt a tax budget pursuant to section 5705.281 of 213
the Revised Code. The tax budget shall present the following 214
information in such detail as is prescribed by the auditor of 215
state, ~~unless an alternative form of the budget is permitted under~~ 216
~~section 5705.281 of the Revised Code:~~ 217

(A)(1) A statement of the necessary current operating 218
expenses for the ensuing fiscal year for each department and 219
division of the subdivision, classified as to personal services 220
and other expenses, and the fund from which such expenditures are 221
to be made. Except in the case of a school district, this estimate 222
may include a contingent expense not designated for any particular 223
purpose, and not to exceed three per cent of the total amount of 224
appropriations for current expenses. In the case of a school 225
district, this estimate may include a contingent expense not 226
designated for any particular purpose and not to exceed thirteen 227
per cent of the total amount of appropriations for current 228
expenses. 229

(2) A statement of the expenditures for the ensuing fiscal 230
year necessary for permanent improvements, exclusive of any 231
expense to be paid from bond issues, classified as to the 232
improvements contemplated by the subdivision and the fund from 233
which such expenditures are to be made; 234

(3) The amounts required for the payment of final judgments; 235

(4) A statement of expenditures for the ensuing fiscal year 236
necessary for any purpose for which a special levy is authorized, 237
and the fund from which such expenditures are to be made; 238

(5) Comparative statements, so far as possible, in parallel columns of corresponding items of expenditures for the current fiscal year and the two preceding fiscal years.	239 240 241
(B)(1) An estimate of receipts from other sources than the general property tax during the ensuing fiscal year, which shall include an estimate of unencumbered balances at the end of the current fiscal year, and the funds to which such estimated receipts are credited;	242 243 244 245 246
(2) The amount each fund requires from the general property tax, which shall be the difference between the contemplated expenditure from the fund and the estimated receipts, as provided in this section. The section of the Revised Code under which the tax is authorized shall be set forth.	247 248 249 250 251
(3) Comparative statements, so far as possible, in parallel columns of taxes and other revenues for the current fiscal year and the two preceding fiscal years.	252 253 254
(C)(1) The amount required for debt charges;	255
(2) The estimated receipts from sources other than the tax levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding fiscal year;	256 257 258 259
(3) The net amount for which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequent to such date, and as to what portion of the levy will be within and what in excess of the ten-mill limitation.	260 261 262 263 264
(D) An estimate of amounts from taxes authorized to be levied in excess of the ten-mill limitation on the tax rate, and the fund to which such amounts will be credited, together with the sections of the Revised Code under which each such tax is exempted from all limitations on the tax rate.	265 266 267 268 269

(E)(1) A board of education may include in its budget for the 270
fiscal year in which a levy proposed under section 5705.194, 271
5705.21, or 5705.213, or the original levy under section 5705.212 272
of the Revised Code is first extended on the tax list and 273
duplicate an estimate of expenditures to be known as a voluntary 274
contingency reserve balance, which shall not be greater than 275
twenty-five per cent of the total amount of the levy estimated to 276
be available for appropriation in such year. 277

(2) A board of education may include in its budget for the 278
fiscal year following the year in which a levy proposed under 279
section 5705.194, 5705.21, or 5705.213, or the original levy under 280
section 5705.212 of the Revised Code is first extended on the tax 281
list and duplicate an estimate of expenditures to be known as a 282
voluntary contingency reserve balance, which shall not be greater 283
than twenty per cent of the amount of the levy estimated to be 284
available for appropriation in such year. 285

(3) Except as provided in division (E)(4) of this section, 286
the full amount of any reserve balance the board includes in its 287
budget shall be retained by the county auditor and county 288
treasurer out of the first semiannual settlement of taxes until 289
the beginning of the next succeeding fiscal year, and thereupon, 290
with the depository interest apportioned thereto, it shall be 291
turned over to the board of education, to be used for the purposes 292
of such fiscal year. 293

(4) A board of education, by a two-thirds vote of all members 294
of the board, may appropriate any amount withheld as a voluntary 295
contingency reserve balance during the fiscal year for any lawful 296
purpose, provided that prior to such appropriation the board of 297
education has authorized the expenditure of all amounts 298
appropriated for contingencies under section 5705.40 of the 299
Revised Code. Upon request by the board of education, the county 300
auditor shall draw a warrant on the district's account in the 301

county treasury payable to the district in the amount requested. 302

(F)(1) A board of education may include a spending reserve in 303
its budget for fiscal years ending on or before June 30, 2002. The 304
spending reserve shall consist of an estimate of expenditures not 305
to exceed the district's spending reserve balance. A district's 306
spending reserve balance is the amount by which the designated 307
percentage of the district's estimated personal property taxes to 308
be settled during the calendar year in which the fiscal year ends 309
exceeds the estimated amount of personal property taxes to be so 310
settled and received by the district during that fiscal year. 311
Moneys from a spending reserve shall be appropriated in accordance 312
with section 133.301 of the Revised Code. 313

(2) For the purposes of computing a school district's 314
spending reserve balance for a fiscal year, the designated 315
percentage shall be as follows: 316

Fiscal year ending in:	Designated percentage	
1998	50%	318
1999	40%	319
2000	30%	320
2001	20%	321
2002	10%	322

(G) Except as otherwise provided in this division, the county 323
budget commission shall not reduce the taxing authority of a 324
subdivision as a result of the creation of a reserve balance 325
account. Except as otherwise provided in this division, the county 326
budget commission shall not consider the amount in a reserve 327
balance account of a township, county, or municipal corporation as 328
an unencumbered balance or as revenue for the purposes of division 329
(E)(3) or (4) of section 5747.51 or division (E)(3) or (4) of 330
section 5747.62 of the Revised Code. The county budget commission 331
may require documentation of the reasonableness of the reserve 332
balance held in any reserve balance account. The commission shall 333

consider any amount in a reserve balance account that it 334
determines to be unreasonable as unencumbered and as revenue for 335
the purposes of sections 5747.51 and 5747.62 of the Revised Code 336
and may take such amounts into consideration when determining 337
whether to reduce the taxing authority of a subdivision. 338
339

Sec. 5705.30. This section does not apply to a subdivision 340
for which the county budget commission has waived the requirement 341
to adopt a tax budget under section 5705.281 of the Revised Code. 342

In addition to the information required by section 5705.29 of 343
the Revised Code, the budget of each subdivision and school 344
library district shall include such other information as is 345
prescribed by the auditor of state ~~unless an alternative form of~~ 346
~~the budget is permitted under section 5705.281 of the Revised~~ 347
~~Code.~~ At least two copies of the budget shall be filed in the 348
office of the fiscal officer of the subdivision for public 349
inspection not less than ten days before its adoption by the 350
taxing authority, and such taxing authority shall hold at least 351
one public hearing thereon, of which public notice shall be given 352
by at least one publication not less than ten days prior to the 353
date of hearing in the official publication of such subdivision, 354
or in a newspaper having general circulation in the subdivision. 355
The budget, after adoption, shall be submitted to the county 356
auditor on or before the twentieth day of July, or in the case of 357
a school district, by the twentieth day of January. The tax 358
commissioner may prescribe a later date for the submission of a 359
subdivision's tax budget. Any subdivision that fails to submit its 360
budget to the county auditor on or before the twentieth day of 361
July, unless the commissioner on or before the twentieth day of 362
July prescribes a later date for submission of the budget by that 363
subdivision, shall not receive an apportionment from the undivided 364
local government fund distribution for the ensuing calendar year, 365

unless upon review of the matter the commissioner determines that 366
the budget was adopted by the subdivision on or before the 367
fifteenth day of July, but was not submitted to the county auditor 368
by the twentieth day of July or the later time prescribed by the 369
commissioner because of ministerial error by the subdivision or 370
its officers, employees, or other representatives. 371

Sec. 5705.31. The county auditor shall present to the county 372
budget commission the annual tax budgets submitted under sections 373
5705.01 to 5705.47 of the Revised Code, together with an estimate 374
prepared by the auditor of the amount of any state levy, the rate 375
of any school tax levy as previously determined, the tax 376
commissioner's estimate of the amount to be received in the county 377
library and local government support fund, the tax rates provided 378
under section 5705.281 of the Revised Code if adoption of the tax 379
budget was waived under that section, and such other information 380
as the commission requests or the tax commissioner prescribes. The 381
budget commission shall examine such budget and ascertain the 382
total amount proposed to be raised in the county for the purposes 383
of each subdivision and other taxing units in the county. 384

The commission shall ascertain that the following levies have 385
been properly authorized and, if so authorized, shall approve them 386
without modification: 387

(A) All levies in excess of the ten-mill limitation; 388

(B) All levies for debt charges not provided for by levies in 389
excess of the ten-mill limitation, including levies necessary to 390
pay notes issued for emergency purposes; 391

(C) The levies prescribed by division (B) of sections 742.33 392
and 742.34 of the Revised Code; 393

(D) Except as otherwise provided in this division, a minimum 394
levy within the ten-mill limitation for the current expense and 395
debt service of each subdivision or taxing unit, which shall equal 396

two-thirds of the average levy for current expenses and debt 397
service allotted within the fifteen-mill limitation to such 398
subdivision or taxing unit during the last five years the 399
fifteen-mill limitation was in effect unless such subdivision or 400
taxing unit requests an amount requiring a lower rate. Except as 401
provided in section 5705.312 of the Revised Code, if the levies 402
required in divisions (B) and (C) of this section for the 403
subdivision or taxing unit equal or exceed the entire minimum levy 404
of the subdivision as fixed, the minimum levies of the other 405
subdivisions or taxing units shall be reduced by the commission to 406
provide for the levies and an operating levy for the subdivision. 407
Such additional levy shall be deducted from the minimum levies of 408
each of the other subdivisions or taxing units, but the operating 409
levy for a school district shall not be reduced below a figure 410
equivalent to forty-five per cent of the millage available within 411
the ten-mill limitation after all the levies in divisions (B) and 412
(C) of this section have been provided for. 413

If a municipal corporation and a township have entered into 414
an annexation agreement under section 709.192 of the Revised Code 415
in which they agree to reallocate their shares of the minimum 416
levies established under this division and if that annexation 417
agreement is submitted along with the annual tax budget of both 418
the township and the municipal corporation, then, when determining 419
the minimum levy under this division, the auditor shall allocate, 420
to the extent possible, the minimum levy for that municipal 421
corporation and township in accordance with their annexation 422
agreement. 423

(E) The levies prescribed by section 3709.29 of the Revised 424
Code. 425

Divisions (A) to (E) of this section are mandatory and 426
commissions shall be without discretion to reduce such minimum 427
levies except as provided in such divisions. 428

If any debt charge is omitted from the budget, the commission shall include it therein. 429
430

Sec. 5705.32. (A) The county budget commission shall adjust 431
the estimated amounts required from the general property tax for 432
each fund, as shown by such the tax budgets or other information 433
required to be provided under section 5705.281 of the Revised 434
Code, so as to bring the tax levies required therefor within the 435
limitations specified in sections 5705.01 to 5705.47 of the 436
Revised Code, for such levies, but no levy shall be reduced below 437
a minimum fixed by law. The commission may revise and adjust the 438
estimate of balances and receipts from all sources for each fund 439
and shall determine the total appropriations that may be made 440
therefrom. 441

(B) The commission shall fix the amount of the county library 442
and local government support fund to be distributed to each board 443
of public library trustees that has qualified under section 444
5705.28 of the Revised Code for participation in the proceeds of 445
such fund. The amount paid to all libraries in the county from 446
such fund shall never be a smaller per cent of the fund than the 447
average of the percentages of the county's classified taxes that 448
were distributed to libraries in 1982, 1983, and 1984, as 449
determined by the county auditor. The commission shall base the 450
amount for distribution on the needs of such library for the 451
construction of new library buildings, parts of buildings, 452
improvements, operation, maintenance, or other expenses. In 453
determining the needs of each library board of trustees, and in 454
calculating the amount to be distributed to any library board of 455
trustees on the basis of its needs, the commission shall make no 456
reduction in its allocation from the fund on account of additional 457
revenues realized by a library from increased taxes or service 458
charges voted by its electorate, from revenues received through 459
federal or state grants, projects, or programs, or from grants 460

from private sources. 461

(C) Notwithstanding the fact that alternative methods of 462
financing such needs are available, after fixing the amount to be 463
distributed to libraries, the commission shall fix the amount, if 464
any, of the county library and local government support fund to be 465
distributed to each board of township park commissioners, the 466
county, and each municipal corporation in accordance with the 467
following: 468

(1) Each municipal corporation in the county shall receive a 469
per cent of the remainder that equals the per cent that the county 470
auditor determines the classified property taxes originating in 471
such municipal corporation in 1984 were of the total of all of the 472
county's classified property taxes in 1984. The commission may 473
deduct from this amount any amount that the budget commission 474
allows to the board of township park commissioners of a township 475
park district, the boundaries of which are coextensive with or 476
contained within the boundaries of the municipal corporation. 477

(2) The county shall receive a per cent of the remainder that 478
equals the per cent that the county auditor determines the 479
classified property taxes originating outside of the boundaries of 480
municipal corporations in the county in 1984 were of the total of 481
all of the county's classified property taxes in 1984. The 482
commission may deduct from this amount any amount that the budget 483
commission allows to the board of township park commissioners of a 484
township park district, the boundaries of which are not 485
coextensive with or contained within those of any municipal 486
corporation in the county. 487

(D) The commission shall separately set forth the amounts 488
fixed and determined under divisions (B) and (C) of this section 489
in the "official certificate of estimated resources," as provided 490
in section 5705.35 of the Revised Code, and separately certify 491
such amount to the county auditor who shall be guided thereby in 492

the distribution of the county library and local government support fund for and during the fiscal year. In determining such amounts, the commission shall be guided by the estimate certified by the tax commissioner and presented by the auditor under section 5705.31 of the Revised Code, as to the total amount of revenue to be received in the county library and local government support fund during such fiscal year.

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

(2) Before the final determination of the amount to be allotted to each subdivision from any source, the commission shall permit representatives of each subdivision and of each board of public library trustees to appear before it to explain its financial needs.

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

Sec. 5705.34. When the budget commission has completed its

work with respect to a tax budget or other information required to 524
be provided under section 5705.281 of the Revised Code, it shall 525
certify its action to the taxing authority, together with an 526
estimate by the county auditor of the rate of each tax necessary 527
to be levied by the taxing authority within its subdivision or 528
taxing unit, and what part thereof is in excess of, and what part 529
within, the ten-mill tax limitation. The certification shall also 530
indicate the date on which each tax levied by the taxing authority 531
will expire. 532

If a taxing authority levies a tax for a fixed sum of money 533
or to pay debt charges for the tax year for which the tax budget 534
is prepared, and a payment on account of that tax is payable to 535
the taxing authority for the tax year under section 5727.85 or 536
5727.86 of the Revised Code, the county auditor, when estimating 537
the rate at which the tax shall be levied in the current year, 538
shall estimate the rate necessary to raise the required sum less 539
the estimated amount of any payments made for the tax year to a 540
taxing unit for fixed-sum levies under sections 5727.85 and 541
5727.86 of the Revised Code. The estimated rate shall be the rate 542
of the levy that the budget commission certifies with its action 543
under this section. 544

Each taxing authority, by ordinance or resolution, shall 545
authorize the necessary tax levies and certify them to the county 546
auditor before the first day of October in each year, or at such 547
later date as is approved by the tax commissioner, except that the 548
certification by a board of education shall be made by the first 549
day of April or at such later date as is approved by the 550
commissioner, and except that a township board of park 551
commissioners that is appointed by the board of township trustees 552
and oversees a township park district that contains only 553
unincorporated territory shall authorize only those taxes approved 554
by, and only at the rate approved by, the board of township 555

trustees as required by division (C) of section 511.27 of the
Revised Code. If the levying of a tax to be placed on the
duplicate of the current year is approved by the electors of the
subdivision under sections 5705.01 to 5705.47 of the Revised Code;
if the rate of a school district tax is increased due to the
repeal of a school district income tax and property tax rate
reduction at an election held pursuant to section 5748.04 of the
Revised Code; or if refunding bonds to refund all or a part of the
principal of bonds payable from a tax levy for the ensuing fiscal
year are issued or sold and in the process of delivery, the budget
commission shall reconsider and revise its action on the budget of
the subdivision or school library district for whose benefit the
tax is to be levied after the returns of such election are fully
canvassed, or after the issuance or sale of such refunding bonds
is certified to it.

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Sec. 5705.341. Any person required to pay taxes on real,
public utility, or tangible personal property in any taxing
district or other political subdivision of this state may appeal
to the board of tax appeals from the action of the county budget
commission of any county which relates to the fixing of uniform
rates of taxation and the rate necessary to be levied by each
taxing authority within its subdivision or taxing unit and which
action has been certified by the county budget commission to the
taxing authority of any political subdivision or other taxing
district within the county.

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Such appeal shall be in writing and shall ~~specify, in detail,~~
set forth the tax rate complained of and the reason that such a
tax rate is not necessary to produce the revenue needed by the
taxing district or political subdivision for the ensuing fiscal
year as those needs are set out in the tax budget of said taxing
unit or, if adoption of a tax budget was waived under section
5705.281 of the Revised Code, as set out in such other information

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the district or subdivision was required to provide under that 588
section, or that the action of the budget commission appealed from 589
does not otherwise comply with sections 5705.01 to 5705.47 of the 590
Revised Code. The notice of appeal shall be filed with the board 591
of tax appeals, and a true copy thereof shall be filed with the 592
tax commissioner, the county auditor, and with the fiscal officer 593
of each taxing district or political subdivision authorized to 594
levy the tax complained of, and such notice of appeal and copies 595
thereof must be filed within thirty days after the budget 596
commission has certified its action as provided by section 5705.34 597
of the Revised Code. Such notice of appeal and the copies thereof 598
may be filed either in person or by certified mail. If filed by 599
certified mail, the date of the United States postmark placed on 600
the sender's receipt by the postal employee to whom the notice of 601
appeal is presented shall be treated as the date of filing. 602

Prior to filing the appeal provided by this section, the 603
appellant shall deposit with the county auditor of the county or, 604
in the event the appeal concerns joint taxing districts in two or 605
more counties, with the county auditor of the county with the 606
greatest valuation of taxable property the sum of five hundred 607
dollars to cover the costs of the proceeding. The county auditor 608
shall forthwith issue ~~his~~ a pay-in order and pay such money into 609
the county treasury to the credit of the general fund. The 610
appellant shall produce the receipt of the county treasurer for 611
such deposit and shall file such receipt with the notice of 612
appeal. 613

The board of tax appeals shall forthwith consider the matter 614
presented on appeal from the action of the county budget 615
commission and may modify any action of the commission with 616
reference to the fixing of tax rates, to the end that no tax rate 617
shall be levied above that necessary to produce the revenue ~~set~~ 618
~~out in the budget of~~ needed by the taxing district or political 619

subdivision ~~as necessary~~ for the ensuing fiscal year and to the 620
end that the action of the budget commission appealed from shall 621
otherwise be in conformity with sections 5705.01 to 5705.47 of the 622
Revised Code. The findings of the board of tax appeals shall be 623
substituted for the findings of the budget commission and shall be 624
certified to the county auditor and the taxing authority of the 625
taxing district or political subdivision affected as the action of 626
such budget commission under sections 5705.01 to 5705.47 of the 627
Revised Code and to the tax commissioner. 628

The board of tax appeals shall promptly prepare a cost bill 629
listing the expenses incurred by the board in conducting any 630
hearing on the appeal and certify the cost bill to the county 631
auditor of the county receiving the deposit for costs, who shall 632
forthwith draw ~~his~~ a warrant on the general fund of the county in 633
favor of the person or persons named in the bill of costs 634
certified by the board of tax appeals. 635

In the event the appellant prevails, the board of tax appeals 636
promptly shall direct the county auditor to refund the deposit to 637
the appellant and the costs shall be taxed to the taxing district 638
or political subdivision involved in the appeal. The county 639
auditor shall withhold from any funds then or thereafter in ~~his~~ 640
the auditor's possession belonging to the taxing district or 641
political subdivision named in the order of the board of tax 642
appeals and shall reimburse the general fund of the county. 643

If the appellant fails, the costs shall be deducted from the 644
deposit provided for in this section and any balance which remains 645
shall be refunded promptly to the appellant by warrant of the 646
county auditor drawn on the general fund of the county. 647

Nothing in this section or any section of the Revised Code 648
shall permit or require the levying of any rate of taxation, 649
whether within the ten-mill limitation or whether the levy has 650
been approved by the electors of the taxing district, the 651

political subdivision or the charter of a municipal corporation in 652
excess of such ten-mill limitation, unless such rate of taxation 653
for the ensuing fiscal year is clearly required by a budget or 654
appropriation measure of the taxing district or political 655
subdivision properly and lawfully ~~advertised,~~ adopted, ~~and filed~~ 656
~~pursuant to the provisions of sections 5705.01 to 5705.47 of the~~ 657
~~Revised Code~~ under this chapter. 658

In the event more than one appeal is filed involving the same 659
taxing district or political subdivision, all such appeals may be 660
consolidated by the board of tax appeals and heard at the same 661
time. 662

Nothing herein contained shall be construed to bar or 663
prohibit the tax commissioner from initiating an investigation or 664
hearing on ~~its~~ the commissioner's own motion. 665

The tax commissioner shall adopt and issue such orders, 666
rules, and instructions, not inconsistent with law, as ~~he~~ the 667
commissioner deems necessary, as to the exercise of the powers and 668
the discharge of the duties of any particular county budget 669
commission, county auditor, or other officer which relate to the 670
budget, the assessment of property, or the levy and collection of 671
taxes. The commissioner shall cause the orders and instructions 672
issued by ~~him~~ the commissioner to be obeyed. 673

Sec. 5705.35. (A) The certification of the budget commission 674
to the taxing authority of each subdivision or taxing unit, as set 675
forth in section 5705.34 of the Revised Code, shall show the 676
various funds of such subdivisions other than funds to be created 677
by transfer and shall be filed by the county budget commission 678
with such taxing authority on or before the first day of March in 679
the case of school districts and on or before the first day of 680
September in each year in the case of all other taxing 681
authorities. There shall be set forth on the credit side of each 682

fund the estimated unencumbered balances and receipts, and if a 683
tax is to be levied for such fund, the estimated revenue to be 684
derived therefrom, the rate of the levy, and what portion thereof 685
is within, and what in excess of, the ten-mill tax limitation, and 686
on the debit side, the total appropriations that may be made 687
therefrom. Subject to division (G) of section 5705.29 of the 688
Revised Code, any reserve balance in an account established under 689
section 5705.13 of the Revised Code for the purpose described in 690
division (A)(1) of that section, and the principal of a 691
nonexpendable trust fund established under section 5705.131 of the 692
Revised Code and any additions to principal arising from sources 693
other than the reinvestment of investment earnings arising from 694
that fund, are not unencumbered balances for the purposes of this 695
section. There shall be attached to the certification a summary, 696
which shall be known as the "official certificate of estimated 697
resources," that shall state the total estimated resources of each 698
fund of the subdivision that are available for appropriation in 699
the fiscal year, other than funds to be created by transfer, and a 700
statement of the amount of the total tax duplicate of the school 701
district to be used in the collection of taxes for the following 702
calendar year. Before the end of the fiscal year, the taxing 703
authority of each subdivision and other taxing unit shall revise 704
its tax budget, if one was adopted, so that the total contemplated 705
expenditures from any fund during the ensuing fiscal year will not 706
exceed the total appropriations that may be made from such fund, 707
as determined by the budget commission in its certification; and 708
such revised budget shall be the basis of the annual appropriation 709
measure. 710

(B)(1) Except as otherwise provided in division (B)(2) of 711
this section, revenues from real property taxes scheduled to be 712
settled on or before the tenth day of August and the fifteenth day 713
of February of a fiscal year under divisions (A) and (C) of 714
section 321.24 of the Revised Code, and revenue from taxes levied 715

on personal property used in business scheduled to be settled on 716
or before the thirty-first day of October and the thirtieth day of 717
June of a fiscal year under divisions (B) and (D) of section 718
321.24 of the Revised Code shall not be available for 719
appropriation by a board of education prior to the fiscal year in 720
which such latest scheduled settlement date occurs, except that 721
moneys advanced to the treasurer of a board of education under 722
division (A)(2)(b) of section 321.34 of the Revised Code shall be 723
available for appropriation in the fiscal year in which they are 724
paid to the treasurer under such section. If the date for any 725
settlement of taxes is extended under division (E) of section 726
321.24 of the Revised Code, the latest date set forth in divisions 727
(A) to (D) of that section shall be used to determine in which 728
fiscal year the revenues are first available for appropriation. 729

(2) Revenues available for appropriation by a school district 730
during a fiscal year may include amounts borrowed in that fiscal 731
year under section 133.301 of the Revised Code in anticipation of 732
the collection of taxes that are to be included in the settlements 733
made under divisions (C) and (D) of section 321.24 of the Revised 734
Code in the ensuing fiscal year. 735

Sec. 5705.38. (A) This division does not apply to school 736
district appropriation measures. On or about the first day of each 737
year, the taxing authority of each subdivision or other taxing 738
unit shall pass an appropriation measure, and thereafter during 739
the year it may pass any supplemental appropriation measures as it 740
finds necessary, based on the revised tax budget ~~and or~~ the 741
official certificate of estimated resources or amendments of the 742
certificate. ~~If adoption of a tax budget was waived under section~~ 743
~~5705.281 of the Revised Code, appropriation measures shall be~~ 744
~~based on the official certificate of estimated resources.~~ If it 745
desires to postpone the passage of the annual appropriation 746
measure until an amended certificate is received based on the 747

actual balances, it may pass a temporary appropriation measure for 748
meeting the ordinary expenses of the taxing unit until no later 749
than the first day of April of the current year, and the 750
appropriations made in the temporary measure shall be chargeable 751
to the appropriations in the annual appropriation measure for that 752
fiscal year when passed. 753

(B) A board of education shall pass its annual appropriation 754
measure by the first day of October. If, by the first day of 755
October, a board has not received either the amended certificates 756
of estimated resources required by division (B) of section 5705.36 757
of the Revised Code or certifications that no amended certificates 758
need be issued, the adoption of the annual appropriation measure 759
shall be delayed until the amended certificates or certifications 760
are received. Prior to the passage of the annual appropriation 761
measure, the board may pass a temporary appropriation measure for 762
meeting the ordinary expenses of the district until it passes an 763
annual appropriation measure, and appropriations made in the 764
temporary measure shall be chargeable to the appropriations in the 765
annual appropriation measure for that fiscal year when passed. 766
During the fiscal year and after the passage of the annual 767
appropriation measure, a district may pass any supplemental 768
appropriation measures as it finds necessary, based on the revised 769
tax budget ~~and~~ or the official certificate of estimated resources 770
or amendments of the certificate. School district appropriation 771
measures shall be in the form as the auditor of state, after 772
consultation with the tax commissioner, prescribes. 773

(C) Appropriation measures shall be classified so as to set 774
forth separately the amounts appropriated for each office, 775
department, and division, and, within each, the amount 776
appropriated for personal services. In the case of a municipal 777
university, the board of directors of which have assumed, in the 778
manner provided by law, custody and control of the funds of the 779

university, funds shall be appropriated as a lump sum for the use 780
of the university. 781

Sec. 5705.51. (A) As used in this section: 782

(1) "Indirect debt limit" means such limitation, in effect at 783
the time of issuance, upon the issuance of unvoted general 784
obligation bonds, notes, or certificates of indebtedness by a 785
subdivision as results from a restriction on the amount of unvoted 786
taxes which may be levied annually upon the general tax lists and 787
duplicates. 788

(2) "Direct debt limit" means those respective limitations on 789
the principal amount of net indebtedness which may be created or 790
incurred by a municipal corporation, school district, county, or 791
township, imposed by sections 133.05, 133.06, 133.07, and 133.09 792
of the Revised Code. 793

(3) "Ten-mill limit" means unvoted taxes of ten mills 794
annually on each dollar of tax valuation of property on the 795
general tax lists and duplicates. 796

(4) "One per cent limit" means unvoted taxes at such rates 797
upon the tax value as amounts to one per cent annually of the true 798
value in money of property that is listed on the general tax lists 799
and duplicates. 800

(5) "Exempt obligations" means unvoted general obligation 801
bonds, notes, and certificates of indebtedness of a municipal 802
corporation, school district, county, or township that are 803
excluded, exempted, or not considered in calculating or 804
ascertaining the direct debt limit of such a subdivision; and also 805
includes unvoted general obligation bonds, notes, and certificates 806
of indebtedness of a municipal corporation if the ordinance 807
authorizing their issuance provides that the debt charges thereon, 808
or, in the case of bond anticipation notes, the debt charges on 809

the bonds in anticipation of which they are issued, shall be paid from lawfully available municipal income taxes to the extent needed to meet such debt charges, and contains a covenant, hereby authorized, to appropriate annually from such municipal income taxes such amount as is necessary to meet such annual debt charges, and further makes provision that any ad valorem property taxes which are provided for pursuant to section 133.22 or 133.23 of the Revised Code shall, in addition to any other reduction permitted by those sections, be reduced by the amount of such municipal income taxes to be applied to such debt charges in compliance with such covenant.

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(B) For the purposes of calculating the indirect debt limit, the debt charges on outstanding or proposed exempt obligations required to be taken into consideration in determining the indirect debt limit shall first be allocated to the computed amount of taxes in excess of the ten-mill limit that would result if ad valorem property taxes were levied to the full extent of the one per cent limit, and any balance of such debt charges shall be allocated to the ten-mill limit. This section does not enlarge the direct debt limits.

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(C) Upon request of the bond issuing authority or the fiscal officer of a subdivision, the appropriate county auditor or county auditors shall promptly certify all data necessary to make the determinations under division (B) of this section and to ascertain the indirect debt limits, including, for each overlapping subdivision, the tax value and the true value in money of property on the general tax lists and duplicates of the subdivision, stated separately for each classification of property the tax value of which is determined by applying a different percentage to true value, the applicable debt charges, and such other data as is necessary for the purpose. For such purpose, the aggregate true value in money of each such classification of property may be

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determined by application of the appropriate mathematical factor 842
to the aggregate tax value of such classification of property on 843
the general tax lists and duplicates. The fiscal officer of each 844
overlapping subdivision and the tax commissioner shall promptly 845
provide to the county auditor such additional information as is 846
needed by the county auditor to make the certification required by 847
this division, including certification to the county auditor by 848
each such fiscal officer as to the then exempt obligations of the 849
subdivision. The certificate of the county auditor shall be 850
conclusive as to the data therein set forth for the purposes of 851
determining the indirect debt limit. The calculations and 852
certifications provided for in this section relating to the one 853
per cent limit need not be made or provided where the annual debt 854
charges required to be taken into consideration in ascertaining 855
the indirect debt limit will not exceed the ten-mill limit. 856

(D) A municipal corporation which has outstanding exempt 857
obligations supported by municipal income taxes as provided in 858
division (A)(5) of this section shall, to the extent necessary 859
therefor, levy and continue to levy such income tax and apply the 860
proceeds thereof in accordance with its covenants made in the 861
issuance of such obligations, and to such extent such tax shall 862
not be subject to diminution by initiative or referendum, or 863
diminution by statute unless provision is made therein for an 864
adequate substitute therefor, other than unvoted taxes on the 865
general tax lists and duplicates, assigned by law to such purpose. 866

(E) If the tax budget or the official certificate of 867
estimated resources of a subdivision shows that funds available 868
for the purpose, including municipal income taxes under division 869
(D) of this section, but excluding unvoted taxes within the 870
ten-mill limit, will be insufficient to pay the debt charges on 871
all outstanding obligations of the subdivision that have been 872
shown as exempt obligations on any certificate by the fiscal 873

officer delivered to the county auditor pursuant to division (C) 874
of this section, whether or not qualifying as such in any 875
subsequent certificate, sections 5705.31 and 5705.32 of the 876
Revised Code shall be specially applied as follows with respect to 877
the debt charges on such obligations: 878

(1) The amount of such debt charges and the debt charges on 879
other unvoted general obligations of the subdivision, not 880
otherwise provided for, shall be charged against the minimum levy 881
of such subdivision provided pursuant to division (D) of section 882
5705.31 of the Revised Code to the full amount of such minimum 883
levy, if necessary, without preserving to such subdivision any 884
operating levy within the ten-mill limit; 885

(2) If the debt charges on such obligations, and on any other 886
outstanding unvoted general obligations of the subdivision not 887
otherwise provided for, exceed the minimum levy of such 888
subdivision, there shall be levied millage upon the tax value of 889
property on the general tax lists and duplicates of the 890
subdivision in excess of the ten-mill limit, but within the one 891
per cent limit as to any property, in such amounts as are 892
necessary to make up such deficiency to the extent that such 893
deficiency does not exceed the debt charges, not otherwise 894
provided for, on the exempt obligations referred to in this 895
division; 896

(3) Only if the debt charges on such exempt obligations of 897
the subdivision are not fully provided for after application of 898
divisions (E)(1) and (2) of this section, the balance of such debt 899
charges shall be provided by adjustment of other minimum levies 900
pursuant to division (D) of section 5705.31 of the Revised Code. 901

If the subdivision is a municipal corporation that by charter 902
provides a tax-rate limitation pursuant to section 5705.18 of the 903
Revised Code, divisions (E)(1), (2), and (3) of this section shall 904
be applied only in a manner consistent with the applicable charter 905

provisions. If a levy for current operating expenses, whether or
not part of a levy for other purposes, is to be provided under
such charter in lieu of a minimum levy provided by division (D) of
section 5705.31 of the Revised Code, as a first step, such charter
levy shall be reduced by the amount of the levy for debt charges
on such exempt obligations only if and to the extent provided by
such charter, and if no part of such debt charges is to be paid
from a levy within the limitations imposed by the charter, the
full amount of such debt charges shall be considered the
deficiency under division (E) (2) of this section. The levy for
such debt charges under such subdivision shall not exceed any
applicable charter limitation. Any references in applicable
charter provisions to the limitations provided by the constitution
or laws or to a ten-mill limitation of Section 2, Article XII,
Ohio Constitution, shall be viewed by the county budget commission
as meaning the one per cent limit applicable under this section.
Division (E)(3) of this section shall not be applied to reduce any
levy within a charter tax-rate limitation.

This section does not alter the right of holders of exempt
obligations to share equally in taxes levied within the ten-mill
limit nor the general obligation character of such exempt
obligations, and the full faith and credit of the subdivision is
pledged thereto.

(F) If any levy is made under division (E)(2) of this
section, the amount of millage to be applied to tax values on the
general tax lists and duplicates shall be determined for each
classification of property the tax value of which is computed by
applying a different percentage to true value. The millage rates
applied to such classifications of property shall be calculated to
produce revenues in the aggregate amount to be provided under
division (E)(2) of this section, provided that no such millage
shall be added to the taxes on property that is already taxed to

the full extent of the one per cent limit, and the millage on each 938
other classification of property shall not result in a tax thereon 939
in excess of the one per cent limit, but the millage amount levied 940
under division (E)(2) of this section shall be the same as to all 941
classifications of property which may be taxed at the same millage 942
without exceeding the one per cent limit. In any event, the 943
millage amount levied under division (E)(2) of this section on all 944
land and improvements thereon in the subdivision shall be the 945
same. 946

(G) Nothing in this section shall be applied to impair the 947
authority of a municipal corporation under section 5705.18 of the 948
Revised Code. Levies which are authorized by the charter of a 949
municipal corporation without necessity for further vote and which 950
are available for debt charges shall continue to be treated as 951
levies outside the ten-mill limit and outside the one per cent 952
limit in determining the indirect debt limit. 953

Section 2. That existing sections 118.13, 3315.40, 3316.12, 954
3318.07, 5705.281, 5705.29, 5705.30, 5705.31, 5705.32, 5705.34, 955
5705.341, 5705.35, 5705.38, and 5705.51 of the Revised Code are 956
hereby repealed. 957