

As Introduced

**129th General Assembly
Regular Session
2011-2012**

H. B. No. 476

Representatives Ramos, Pillich

**Cosponsors: Representatives Murray, Hagan, R., Driehaus, Antonio, Boyd,
Yuko, Reece, Phillips, Fende, Fedor, Lundy, Celeste, Winburn, Foley,
Gerberry, Budish, Heard, Szollosi, Carney, Sykes, Slesnick**

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A B I L L

To amend sections 131.43 and 131.44 and enact 1
sections 131.441 and 131.442 of the Revised Code 2
to create the Local Government Job Fund in the 3
state treasury to provide funding to local 4
governments for job creation, maintenance, and 5
retention programs; to require the Director of 6
Budget and Management, in any year that the state 7
unemployment rate exceeds six percent, to transfer 8
the amount, if any, that would be transferred to 9
the Budget Stabilization Fund or the Income Tax 10
Reduction Fund to the Local Government Job Fund; 11
and to amend the version of section 131.44 of the 12
Revised Code that is scheduled to take effect June 13
1, 2013, to continue the provisions of this act on 14
and after that effective date. 15

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

Section 1. That sections 131.43 and 131.44 be amended and 16
sections 131.441 and 131.442 of the Revised Code be enacted to 17
read as follows: 18

Sec. 131.43. There is hereby created in the state treasury 19
the budget stabilization fund. ~~It~~ In years when the state 20
unemployment rate, as measured by the director of job and family 21
services, is less than six per cent, it is the intent of the 22
general assembly to maintain an amount of money in the budget 23
stabilization fund that amounts to approximately five per cent of 24
the general revenue fund revenues for the preceding fiscal year. 25
The governor shall include in the state budget ~~he~~ the governor 26
submits to the general assembly under section 107.03 of the 27
Revised Code proposals for transfers between the general revenue 28
fund and the budget stabilization fund for the ensuing fiscal 29
biennium. The balance in the fund may be combined with the balance 30
in the general revenue fund for purposes of cash management. 31

Sec. 131.44. (A) As used in this section: 32

(1) "Surplus revenue" means the excess, if any, of the total 33
fund balance over the required year-end balance. 34

(2) "Total fund balance" means the sum of the unencumbered 35
balance in the general revenue fund on the last day of the 36
preceding fiscal year plus the balance in the budget stabilization 37
fund. 38

(3) "Required year-end balance" means the sum of the 39
following: 40

(a) Five per cent of the general revenue fund revenues for 41
the preceding fiscal year; 42

(b) "Ending fund balance," which means one-half of one per 43
cent of general revenue fund revenues for the preceding fiscal 44
year; 45

(c) "Carryover balance," which means, with respect to a 46
fiscal biennium, the excess, if any, of the estimated general 47
revenue fund appropriation and transfer requirement for the second 48

fiscal year of the biennium over the estimated general revenue 49
fund revenue for that fiscal year; 50

(d) "Capital appropriation reserve," which means the amount, 51
if any, of general revenue fund capital appropriations made for 52
the current biennium that the director of budget and management 53
has determined will be encumbered or disbursed; 54

(e) "Income tax reduction impact reserve," which means an 55
amount equal to the reduction projected by the director of budget 56
and management in income tax revenue in the current fiscal year 57
attributable to the previous reduction in the income tax rate made 58
by the tax commissioner pursuant to division (B) of section 59
5747.02 of the Revised Code. 60

(4) "Estimated general revenue fund appropriation and 61
transfer requirement" means the most recent adjusted 62
appropriations made by the general assembly from the general 63
revenue fund and includes both of the following: 64

(a) Appropriations made and transfers of appropriations from 65
the first fiscal year to the second fiscal year of the biennium in 66
provisions of acts of the general assembly signed by the governor 67
but not yet effective; 68

(b) Transfers of ~~appropriation~~ appropriations from the first 69
fiscal year to the second fiscal year of the biennium approved by 70
the controlling board. 71

(5) "Estimated general revenue fund revenue" means the most 72
recent such estimate available to the director of budget and 73
management. 74

(B)(1) Not later than the thirty-first day of July each year, 75
the director of budget and management shall determine the surplus 76
revenue that existed on the preceding thirtieth day of June and 77
transfer from the general revenue fund, to the extent of the 78
unobligated, unencumbered balance on the preceding thirtieth day 79

of June in excess of one-half of one per cent of the general 80
revenue fund revenues in the preceding fiscal year, the following: 81

(a) In years when the state unemployment rate, using the most 82
recently calculated annual rate as measured by the director of job 83
and family services, is six per cent or greater, to the local 84
government job fund created in section 131.441 of the Revised Code 85
an amount equal to the surplus revenue. 86

(b) In years when division (B)(1)(a) of this section does not 87
apply, as follows: 88

(i) First, to the budget stabilization fund, any amount 89
necessary for the balance of the budget stabilization fund to 90
equal five per cent of the general revenue fund revenues of the 91
preceding fiscal year; 92

~~(b)(ii)~~ Then, to the income tax reduction fund, which is 93
hereby created in the state treasury, an amount equal to the 94
surplus revenue. 95

(2) Not later than the thirty-first day of July each year, 96
the director shall determine the percentage that the balance in 97
the income tax reduction fund is of the amount of revenue that the 98
director estimates will be received from the tax levied under 99
section 5747.02 of the Revised Code in the current fiscal year 100
without regard to any reduction under division (B) of that 101
section. If that percentage exceeds thirty-five one hundredths of 102
one per cent, the director shall certify the percentage to the tax 103
commissioner not later than the thirty-first day of July. 104

(C) The director of budget and management shall transfer 105
money in the income tax reduction fund to the general revenue 106
fund, the local government fund, and the public library fund as 107
necessary to offset revenue reductions resulting from the 108
reductions in taxes required under division (B) of section 5747.02 109
of the Revised Code in the respective amounts and percentages 110

prescribed by division (A) of section 5747.03 and divisions (A) 111
and (B) of section 131.51 of the Revised Code as if the amount 112
transferred had been collected as taxes under Chapter 5747. of the 113
Revised Code. If no reductions in taxes are made under that 114
division that affect revenue received in the current fiscal year, 115
the director shall not transfer money from the income tax 116
reduction fund to the general revenue fund, the local government 117
fund, and the public library fund. 118

Sec. 131.441. There is hereby created in the state treasury 119
the local government job fund. The fund shall consist of transfers 120
made to the fund under section 131.44 of the Revised Code. 121
Interest earned on money in the fund shall be credited to the 122
fund. 123

Money in the fund shall be used to fund job creation, 124
maintenance, and retention programs and for other purposes related 125
to increasing employment in the state. 126

Sec. 131.442. Not later than thirty days after a transfer to 127
the local government job fund is made under section 131.44 of the 128
Revised Code, the director of budget and management shall transfer 129
the following: 130

(A) To the undivided local government fund of each county, an 131
amount from the local government job fund proportional to the 132
amount distributed to each county from the local government fund 133
under division (B) of section 5747.50 of the Revised Code; 134

(B) To the general fund of each municipal corporation that 135
receives money from the local government fund, an amount from the 136
local government job fund proportional to the amount distributed 137
to each municipal corporation from the local government fund under 138
division (C) of section 5747.50 of the Revised Code. 139

Section 2. That existing sections 131.43 and 131.44 of the Revised Code are hereby repealed.

Section 3. That the version of section 131.44 of the Revised Code that is scheduled to take effect on June 1, 2013, be amended to read as follows:

Sec. 131.44. (A) As used in this section:

(1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.

(2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.

(3) "Required year-end balance" means the sum of the following:

(a) Five per cent of the general revenue fund revenues for the preceding fiscal year;

(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;

(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;

(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;

(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.

(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:

(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriations from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.

(5) "Estimated general revenue fund revenue" means the most recent such estimate available to the director of budget and management.

(B)(1) Not later than the thirty-first day of July each year, the director of budget and management shall determine the surplus revenue that existed on the preceding thirtieth day of June and transfer from the general revenue fund, to the extent of the unobligated, unencumbered balance on the preceding thirtieth day of June in excess of one-half of one per cent of the general revenue fund revenues in the preceding fiscal year, the following:

(a) In years when the state unemployment rate, using the most recently calculated annual rate as measured by the director of job and family services, is six per cent or greater, to the local government job fund created in section 131.441 of the Revised Code

reduction fund to the general revenue fund, the local government 230
fund, and the public library fund. 231

Section 4. That the existing version of section 131.44 of the 232
Revised Code that is scheduled to take effect June 1, 2013, is 233
hereby repealed. 234

Section 5. Sections 3 and 4 of this act shall take effect 235
June 1, 2013. 236