

- Freeze for local government funds diverts moneys to GRF
- New property tax replacement funds compensate school districts and local governments

# Revenue Distribution Funds

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## ROLE

Revenue Distribution Funds are used by the state to collect and distribute, as directed by state law, moneys to local governments and to organizations, school districts, libraries, transit authorities, other state funds, and other states. Each of the funds is administered by a state agency, but the funds are not included as part of the budget of the administering agency. The moneys are not spent by the agencies, but are distributed as directed by state law. The funds are presented together to highlight their role in the redistribution function of state government.

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
0	\$4,290.7 million	\$4,430.0 million	\$0	\$0	Am. Sub. H.B. 94

## OVERVIEW

Appropriations for FY 2002 are \$4,290,677,000. This amount is \$279,799,200 greater than appropriations for FY 2001, a 7.0 percent increase. Appropriations for FY 2003 are \$4,429,991,000. This amount is \$139,314,000 greater than appropriations for FY 2002, a 3.2 percent increase.

## *BUDGET ISSUES*

### Local Government Funds


The budget freezes, for FY 2002 and FY 2003, amounts of state tax receipts that are deposited into and distributed from the Local Government Fund and the Local Government Revenue Assistance Fund at the levels of FY 2001. Although June 2001 deposits and July 2001 distributions will be made under existing law (amounts credited one month are distributed the next), the budget adjusts July 2001 deposits and August 2001 distributions so that the freeze effectively begins with the June 2001 deposits and July 2001 distributions. The same freeze applies to amounts deposited into and distributed from the Library and Local Government Support Fund, except that distributions to each county undivided library and local government support fund will be further reduced by the county's pro-rata share of any transfers made

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from the Library and Local Government Support Fund to the OPLIN (Ohio Public Library Information Network) Technology Fund. (See Operating Budget Analysis for the State Library Board.)

The freezes affect deposits and distributions of receipts from the personal income tax, the sales tax, the use tax, the corporate franchise tax, the public utilities excise tax, and the kilowatt hour tax. Tax receipts that would otherwise have been credited to local government funds will instead be credited to the General Revenue Fund (an adjustment is made to capture for the General Revenue Fund the June 2001 deposit of kilowatt hour taxes). Similarly, amounts that would have been transferred from the Income Tax Reduction Fund to the local government funds will also be transferred to the General Revenue Fund.

### **Property Tax Replacement Funds**

The budget distributes money from a new fund created by Am. Sub. S.B. 3 of the 123<sup>rd</sup> General Assembly. Senate Bill 3 created the Local Government Property Tax Replacement Fund. The fund was created to replace property tax revenue lost due to valuation reductions on electric utility tangible property. The purpose of the fund was expanded by Am. Sub. S.B. 287 of the 123<sup>rd</sup> General Assembly to include replacement of property tax revenue lost due to valuation reductions on public utility property owned by natural gas companies. The fund receives a portion of the proceeds from the kilowatt-hour tax and the natural gas consumption tax. The first distribution from the fund is scheduled to occur in February 2002. 

**FY 2002 - 2003 Final Appropriation Amounts**

**All Fund Groups**

**Line Item Detail by Agency**

*FY 1999:*      *FY 2000:*      *FY 2001:*      **FY 2002**      *% Change*      **FY 2003**      *% Change*  
*Appropriations:*      *Appropriations:*      *Appropriations:*      **Appropriations:**      *2001 to 2002:*      **Appropriations:**      *2002 to 2003:*

**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**RDF Revenue Distribution Funds**

4P8	001-698	Cash Management Improvement Fund	\$ 2,002,302	\$ 1,861,112	\$2,693,194	\$ 2,000,000	-25.74%	\$ 2,000,000	0.00%
608	001-699	Investment Earnings	\$ 341,721,338	\$ 338,180,240	\$399,810,478	\$ 406,700,000	1.72%	\$ 398,300,000	-2.07%
067	110-900	School District Income Tax	\$ 128,887,294	\$ 140,177,680	\$147,852,582	\$ 156,800,000	6.05%	\$ 166,200,000	5.99%
062	110-900	Resort Area Excise Tax	\$ 292,476	\$ 486,365	\$492,076	\$ 500,000	1.61%	\$ 500,000	0.00%
063	110-900	Permissive Tax Distribution	\$ 1,248,270,082	\$ 1,324,344,539	\$1,353,947,707	\$ 1,398,200,000	3.27%	\$ 1,447,100,000	3.50%
<b>Agency Fund Group Total</b>			<b>\$ 1,721,173,492</b>	<b>\$ 1,805,049,936</b>	<b>\$ 1,904,796,037</b>	<b>\$ 1,964,200,000</b>	<b>3.12%</b>	<b>\$ 2,014,100,000</b>	<b>2.54%</b>
049	038-900	Indigent Drivers Alcohol Treatment	\$ 1,460,418	\$ 1,723,560	\$1,833,073	\$ 2,100,000	14.56%	\$ 2,300,000	9.52%
064	110-900	Local Government Revenue Assistanc	\$ 92,931,175	\$ 98,170,209	\$100,780,133	\$ 100,600,000	-0.18%	\$ 100,900,000	0.30%
060	110-900	Gasoline Excise Tax Fund	\$ 108,451,654	\$ 110,833,422	\$109,727,700	\$ 116,027,000	5.74%	\$ 118,348,000	2.00%
068	110-900	State and Local Government Highway	\$ 217,841,475	\$ 222,779,462	\$220,249,665	\$ 233,750,000	6.13%	\$ 238,893,000	2.20%
065	110-900	Library and Local Government Support	\$ 449,954,268	\$ 473,423,531	\$499,638,890	\$ 506,700,000	1.41%	\$ 508,100,000	0.28%
069	110-900	Local Government Fund	\$ 635,019,271	\$ 700,202,041	\$720,789,395	\$ 718,700,000	-0.29%	\$ 720,400,000	0.24%
082	110-900	Horse Racing Tax	\$ 139,629	\$ 137,814	\$138,133	\$ 200,000	44.79%	\$ 200,000	0.00%
054	110-901	Local Government Property Tax Repla	----	----	\$0	\$ 43,700,000	N/A	\$ 88,800,000	103.20%
083	700-900	Ohio Fairs Fund	\$ 2,893,469	\$ 2,900,139	\$2,817,731	\$ 3,000,000	6.47%	\$ 3,000,000	0.00%
050	762-900	International Registration Plan Distributi	\$ 46,144,278	\$ 68,131,149	\$71,882,516	\$ 58,000,000	-19.31%	\$ 65,000,000	12.07%
051	762-901	Auto Registration Distribution	\$ 448,539,710	\$ 466,685,080	\$461,745,552	\$ 490,000,000	6.12%	\$ 515,000,000	5.10%
066	800-900	Undivided Liquor Permits	\$ 12,730,222	\$ 12,440,077	\$12,507,384	\$ 13,500,000	7.94%	\$ 13,750,000	1.85%
066	960-900	UNDIVIDED LIQUOR PERMITS	\$ 0	----	----	----	N/A	----	N/A
<b>Revenue Distribution Fund Group Total</b>			<b>\$ 2,016,105,569</b>	<b>\$ 2,157,426,484</b>	<b>\$ 2,202,110,172</b>	<b>\$ 2,286,277,000</b>	<b>3.82%</b>	<b>\$ 2,374,691,000</b>	<b>3.87%</b>
R45	110-617	International Fuel Tax Distribution	\$ 31,028,601	\$ 41,406,330	\$37,477,268	\$ 40,000,000	6.73%	\$ 41,000,000	2.50%
<b>International Fuel Tax Distribution Fund Group Total</b>			<b>\$ 31,028,601</b>	<b>\$ 41,406,330</b>	<b>\$ 37,477,268</b>	<b>\$ 40,000,000</b>	<b>6.73%</b>	<b>\$ 41,000,000</b>	<b>2.50%</b>
085	800-900	Volunteer Fire Fighters' Dependents Fu	\$ 185,585	\$ 188,690	\$181,465	\$ 200,000	10.21%	\$ 200,000	0.00%
<b>Volunteer Firefighters Dependents Fund Group Tot</b>			<b>\$ 185,585</b>	<b>\$ 188,690</b>	<b>\$ 181,465</b>	<b>\$ 200,000</b>	<b>10.21%</b>	<b>\$ 200,000</b>	<b>0.00%</b>
<b>Revenue Distribution Funds Total</b>			<b>\$ 3,768,493,247</b>	<b>\$ 4,004,071,440</b>	<b>\$ 4,144,564,942</b>	<b>\$ 4,290,677,000</b>	<b>3.53%</b>	<b>\$ 4,429,991,000</b>	<b>3.25%</b>