

County Budget Procedures



County Auditor's Association of Ohio

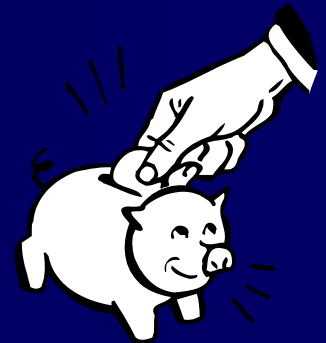


Tax Budget

Presented by:

Mr. Jude T. Hammond

Erie County Auditor



County Auditor's Association of Ohio

Purpose




The tax budget is a tool for political subdivisions and taxing authorities to use to assess the financial condition of the jurisdiction in time to place tax levies on the ballot if necessary. The statutory deadlines were established to foster this concept.



Function




The tax budget gives management the flexibility to generate a “wish list” of programs, capital outlay and staffing requirements that can be used to formulate policy and priority.



The tax budget does not have to be in balance, that is expenditures can exceed resources, thereby giving the ability to assess the ultimate needs of the jurisdiction.



One critical function of the tax budget is that it is often the basis for formulating the distribution of the State’s shared revenue. The county in three forms, the Local Government Fund, Revenue Assistance and the Local Library and Government Support Funds, receives the shared revenue. The county auditor distributes the funds based upon the aforementioned formulas.



The budget commission can also adjust the mills on taxes levied outside the ten mill limitation, if the taxing authority cannot demonstrate the need to levy the tax. This process happens less often since the passing of House Bill 920 in 1976. H.B. 920 requires the Tax Commissioner to modify the outside Millage annually.



THE UNDIVIDED LOCAL GOVERNMENT FUNDS



5747.51 of the Ohio Revised Code (O.R.C.) requires the budget commission to determine the amount of the undivided local government funds needed by and to be appropriated to each subdivision for current operating expenses, as shown in the tax budget of the subdivision. The distribution shall be made in accordance to divisions (C) through (I) of this section (statutory method), unless the budget commission has provided for a formula pursuant to 5747.53 O.R.C.(alternative method).



THE UNDIVIDED LOCAL GOVERNMENT FUNDS

● **The Statutory Method, defined in 5747.51(C) through (I), characteristics are:**

- 1. based upon estimated need;***
- 2. encourages subdivisions to have voted tax revenue;***
- 3. typically favors larger divisions of government, counties and cities;***
- 4. establishes a base amount calculated upon the average proportionate share of distribution of local governments in 1968, 1969 and 1970; and***
- 5. places limits on the proportionate share that counties can receive based upon the percentage of population of the largest municipality to the total population of the county, if the largest municipality is less than 41% of the total population of the county, then the county is limited to 60% of the local governments, if the municipal percentage is between 41% and 80%, then the county is limited to 50%, and if the municipality population is greater than 80% than the county is limited to 35%.***



THE UNDIVIDED LOCAL GOVERNMENT FUNDS

- **Alternative Method, 5747.53 O.R.C. allows for budget commissions to establish an alternative method for distribution of the undivided local government funds. The characteristics of this method are:**

1. Must be approved by the Board of County Commissioners (Commissioners), the legislative authority of the city with the largest population, and the majority of the boards of township trustees, the legislative authorities of the remaining municipal corporations.

2. If either the commissioners or the legislative authority of the city with the largest population or the majority of the other subdivisions does not approve the alternative method, than the statutory method shall be used to determine the formula for distribution.

3. This section of code may not be appealed to the Board of Tax Appeals, except on the issues of abuse of discretion and failure to comply with the formula, pursuant to 5747.53(E).



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STATUTORY PROCESS

1. June 1st of year preceding the Budget Year

Department heads, boards and commissions shall file with the Taxing Authority (Commissioners) or executive officer (County Administrator, Finance Director, Clerk of the Commission or County Auditor) their respective estimates of contemplated revenue and expenditures for the ensuing year, pursuant to 5705.28 of O.R.C.

2. June 15th of the year preceding the Budget Year

The fiscal officer (County Auditor, County Administrator, Clerk of the Commission, or Finance Director) shall present the budget in its tentative form to the taxing authority (Commissioners) for its consideration and study.

3. Ten days prior to the date of the public hearing

The taxing authority (Commissioners) shall file two copies of the proposed budget in the office of the fiscal officer (County Auditor, County Administrator, Clerk of the Commission or Finance Director) and provide for at least one public hearing thereon, pursuant to 5705.30 O.R.C.; and

The taxing authority (Commissioners) shall cause public notice to be given of such hearing by at least one publication or in a newspaper of general circulation in the taxing district (county), pursuant to 5705.28 O.R.C.



STATUTORY PROCESS

4. July 15th of the year preceding the Budget Year

The taxing authority (Commissioners) shall adopt a tax budget for the next succeeding fiscal year, pursuant to 5705.28 O.R.C.

5. July 20th of the year preceding the Budget Year or at such later time as prescribed by the Tax Commissioner

The taxing authority (Commissioners) after adopting the budget shall submit the same to the county auditor, who shall place a filing date stamp thereon. The auditor shall thereafter permit no one to amend said budget by either adding to it or deleting anything, pursuant to 5705.30 O.R.C.

Any subdivision that fails to submit its budget to the county auditor on or before the twentieth day of July, unless the Tax Commissioner on or before the twentieth day of July prescribes a later date for submission of the budget, the subdivision shall not receive an apportionment from the undivided local government fund distribution for the ensuing year.



STATUTORY PROCESS

6. First Monday in August of the year preceding the Budget Year

The Budget Commission (Auditor, Treasurer and Prosecutor) shall meet at the office of the county auditor in each county on the first Monday in August, annually, and shall complete its work on or before the first day of September, annually unless for good cause the Tax Commissioner extends the time for completing its work, pursuant to 5705.27 O.R.C.

The county auditor at the meeting shall present to the budget commission the annual budgets submitted to him, together with an estimate of the amount of any state levy as previously determined and such other information as required by the commission or prescribed by the Tax Commissioner, pursuant to 5705.31 O.R.C.



STATUTORY PROCESS

The Budget Commission shall perform the following duties:

- ***Examine all budgets, pursuant to 5705.31 O.R.C.;***
- ***Ascertain the total amount to be raised in the county for the purpose of each subdivision and other taxing units therein, pursuant to 5705.31;***
- ***Approve all levies in excess of the ten mill limitation, all levies for debt charges not provided for by levies in excess of the ten mill limitation, and if debt charges are omitted, the commission shall include them, pursuant to 5705.31;***
- ***Ascertain and approve firemen's pension fund and police pension relief fund levies, pursuant to 741.09 and 741.40 O.R.C.;***
- ***Shall revise and adjust the estimate of balances and receipts from all sources of each fund and shall determine the total appropriation that may be made there from, pursuant 5705.32 O.R.C.;***
- ***Before the final determination of the amount to be allocated 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, pursuant to 5705.32;***

The pertinent part of Section 5747.51(B) reads as follows:

“The Commission after extending to the representative of each subdivision an opportunity to be heard, under oath administered by a member of the commission, and considering all the facts and information presented to it by the auditor, shall determine the amount the undivided local government fund needed by and to be apportioned to each subdivision for current operational expenses, as shown in the tax budget of the subdivision.”



STATUTORY PROCESS

7. On or before the first day of September of the year preceding the Budget Year, unless an extension is granted by the Tax Commissioner

The Budget Commission shall certify its action to the taxing authority (Commissioners) in the form of a summary known as the “Official Certificate of Estimated Resources” attached to the copy of the budget returned to the taxing authority (Commissioners), pursuant to 5705.34 and 5705.35 O.R.C.

The county auditor shall furnish each taxing authority with an estimate of the rate of each tax necessary to be levied, pursuant to 5705.34.

Upon receipt of the Official Certificate of Estimated Resources, the taxing authority (Commissioners) has several alternatives,

- *Accept the budget commission’s decision and certify the levy to the county auditor by October 1st, unless extended by the Tax Commissioner, pursuant to 5705.34; or*
- *Appeal any action of the budget commission to the Tax Commissioner within 30 days after receipt of the Official Certificate, pursuant to 5705.37; or*

If the funds available are insufficient, reduce their proposed expenditures in accordance with the anticipated revenue and unencumbered, unexpended funds prior to adoption of the annual appropriation.



WAIVER OF TAX BUDGETS



5705.281 O.R.C. allows the budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote of the county auditor, may waive the requirement that the taxing authority of a subdivision or other taxing unit adopt a tax budget as provided under 5705.28 O.R.C., but shall require a taxing authority to provide such information as may be required by the commission to perform its duties under this chapter, including dividing the rates of each of the subdivision's or taxing unit's tax levies as provided under 5705.04 O.R.C.



County Revenue Sources



Presented by: Tracy A. Jemison, AAS, Geauga County Auditor



County Auditor's Association of Ohio

Revenue Sources

Property and Other Taxes

These resources include Real Estate Tax, Personal Property Tax, Sales and Use Tax and a variety of smaller taxes.



Revenue Sources

Sales Taxes

Taxes Collected on Retail Sales



Revenue Sources

Charges for Services

The combined resources of various County departments for fees paid to them by the public. i.e., conveyance fees



Revenue Sources

Licenses and Permits

The revenues derived from selling these items. i.e., vendor licenses, building permits



Revenue Sources

Fines and Forfeitures

The revenues derived from fines levied in the Courts and the monies received from a variety of forfeitures including seized property.



Revenue Sources

Intergovernmental

The combines resources received from grants and from pass-through monies administered by the State of Ohio and Federal Government. i.e., grants, local government fund, property tax rollbacks



Revenue Sources

Interest

The earnings of the County Treasurer's investments.



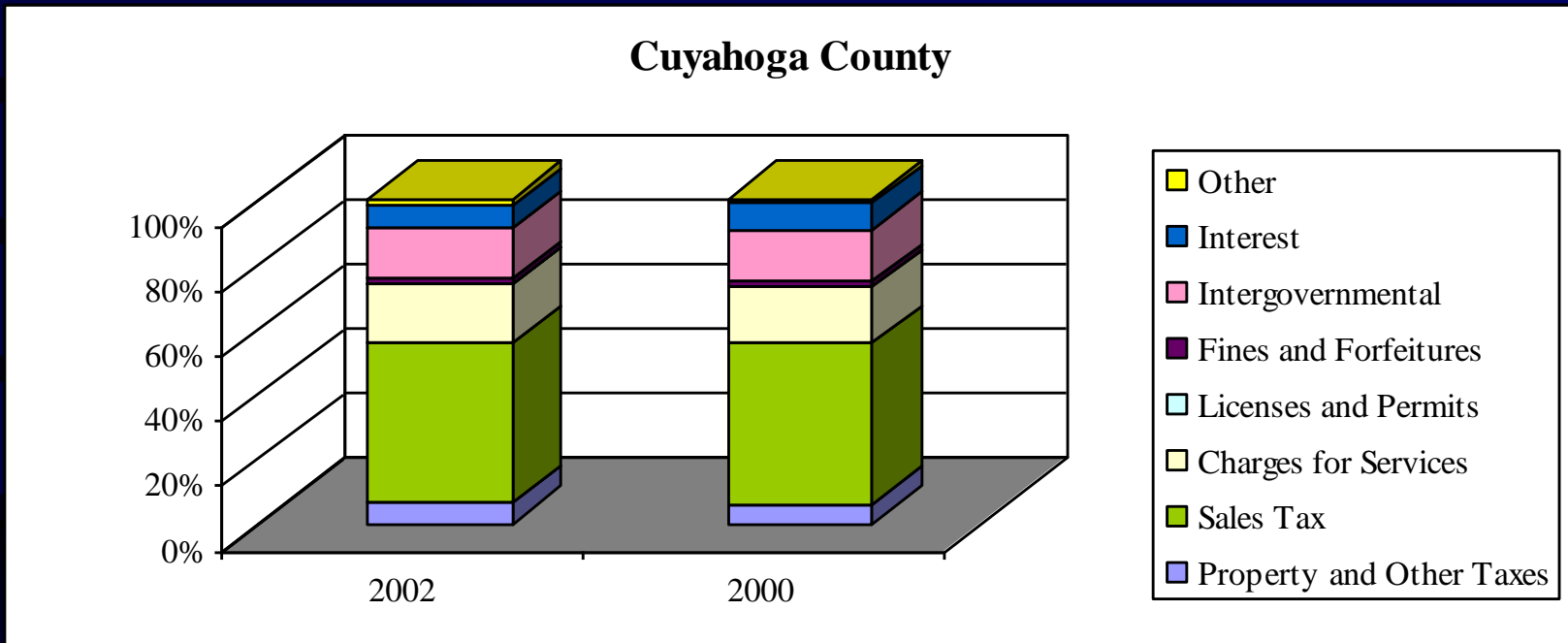
Revenue Sources

Other Revenues

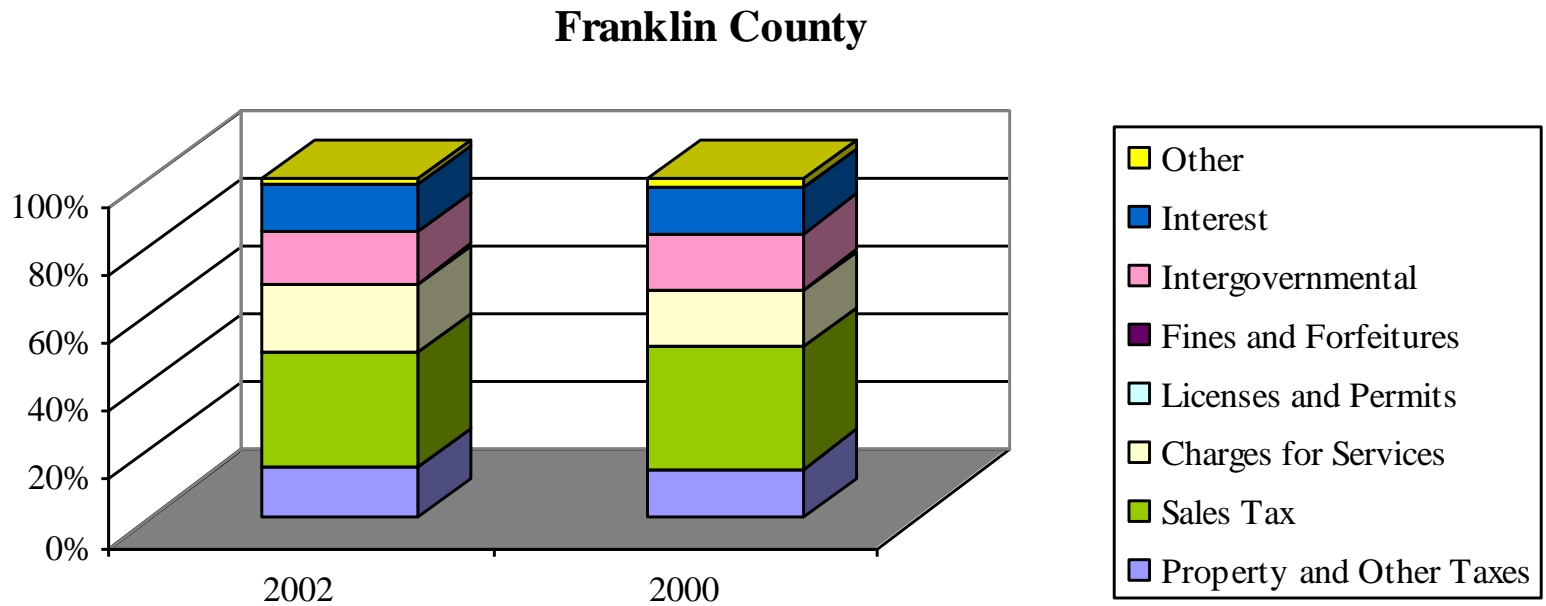
Revenues received that do not fit into the other designated categories. i.e., rents, leases, and donations.



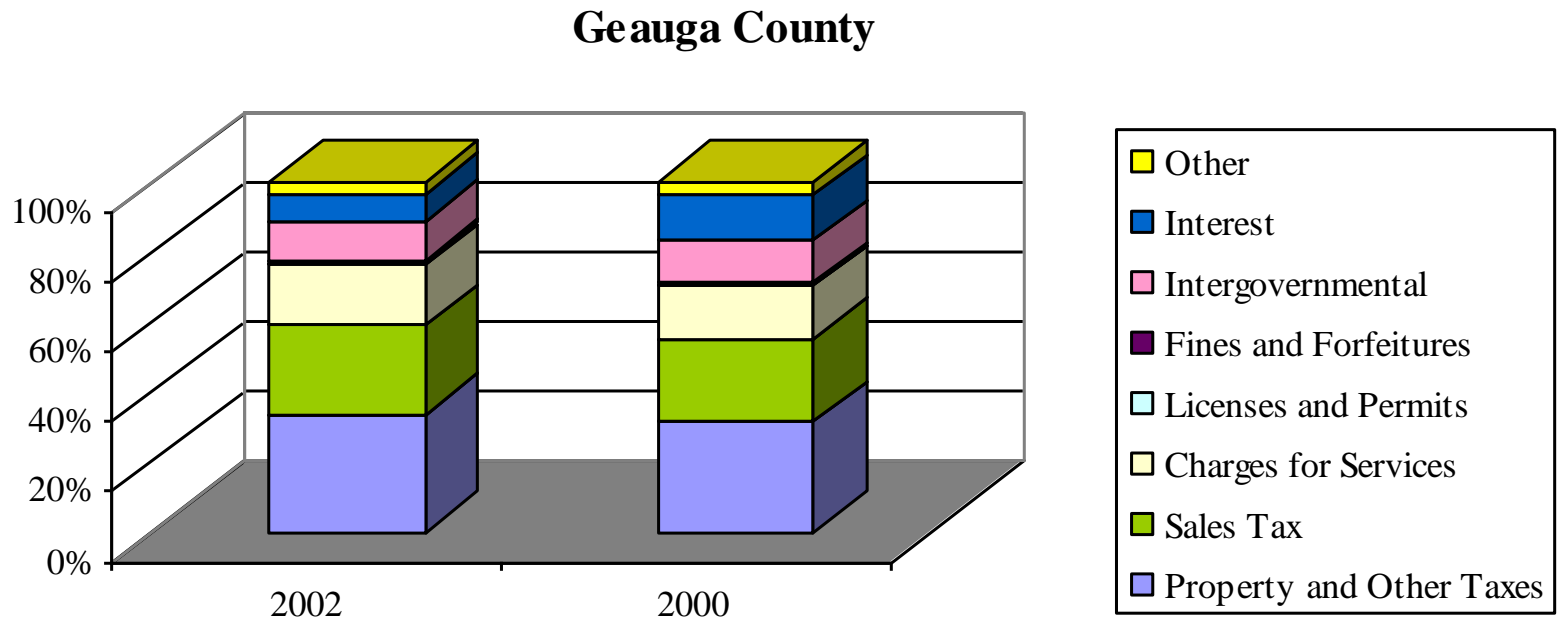
Cuyahoga County



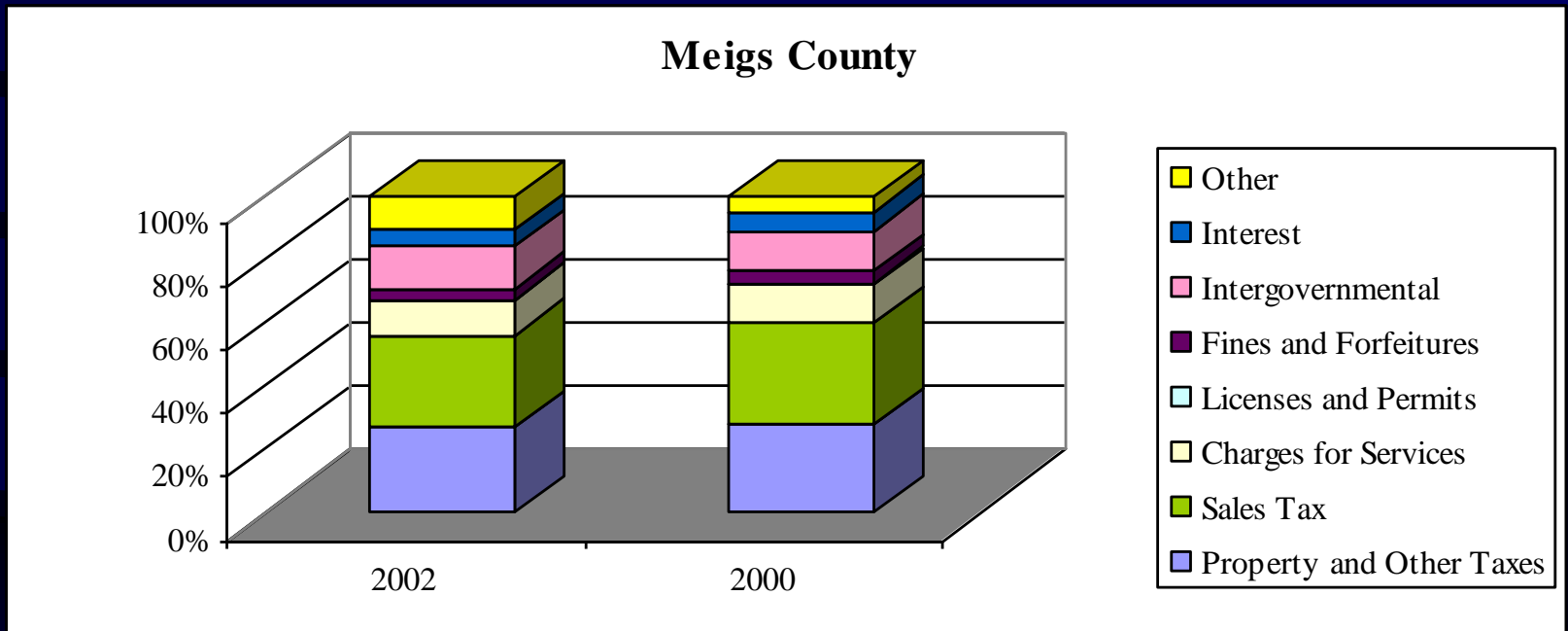
Franklin County



Geauga County

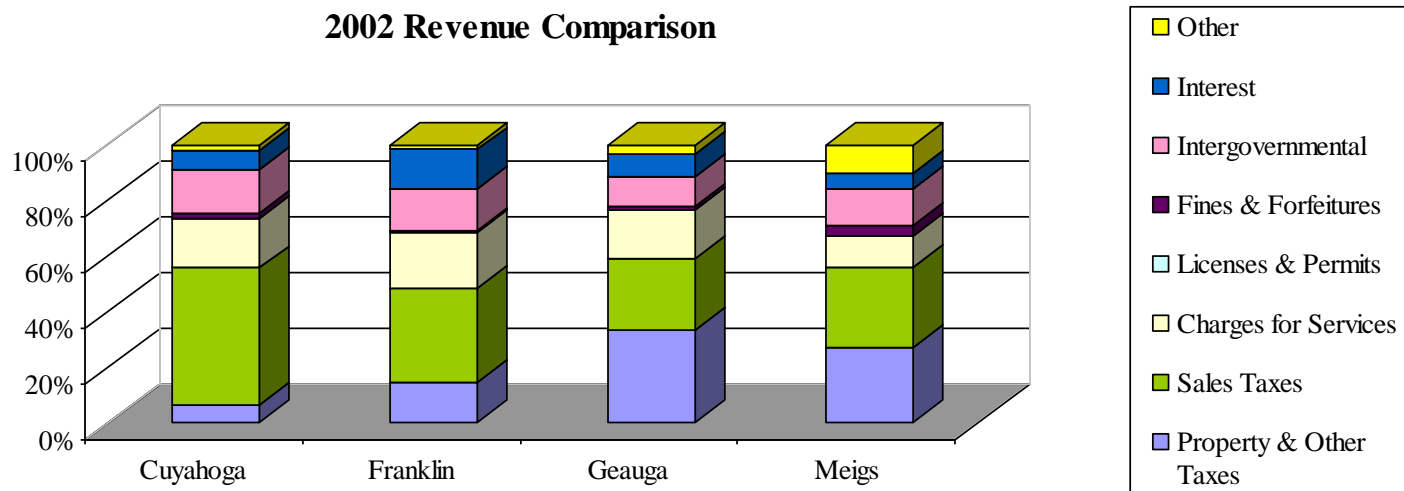


Meigs County



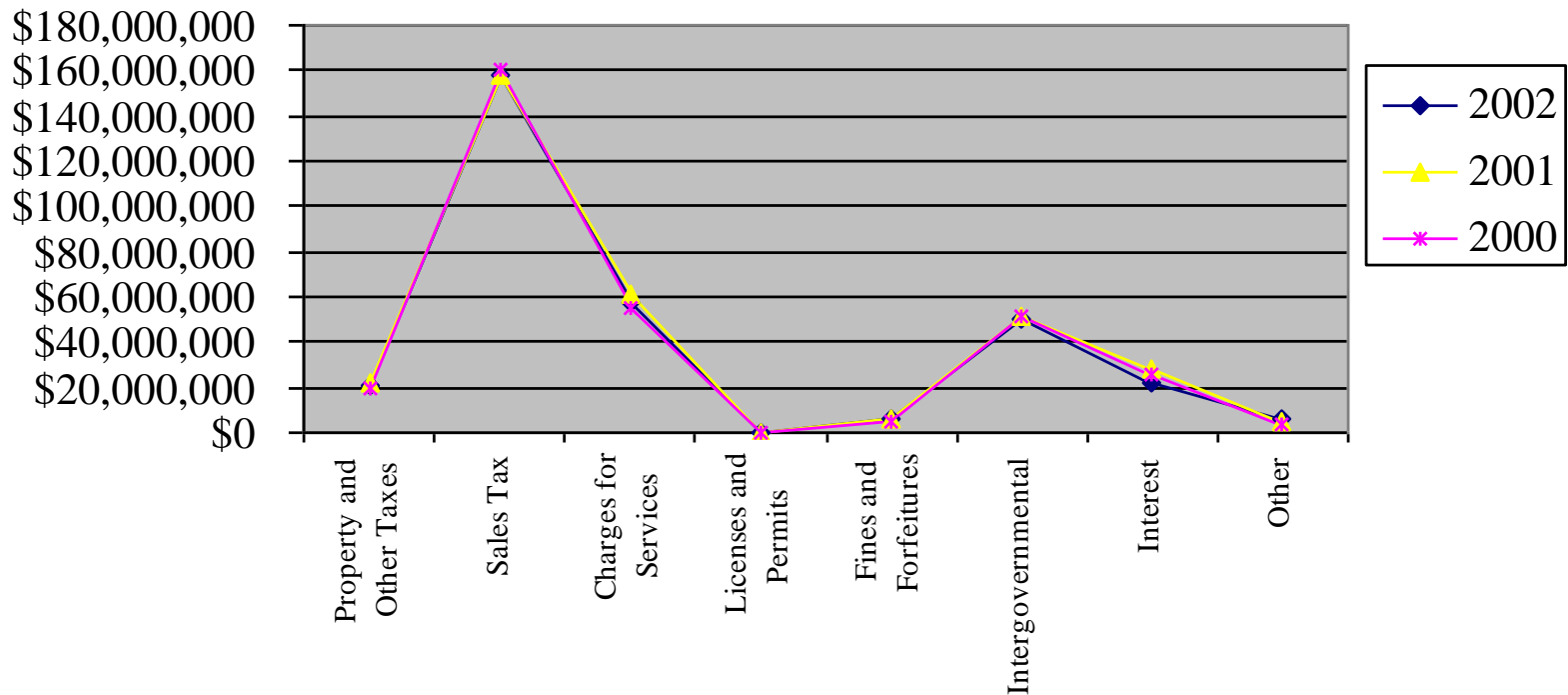
County Comparison

2002 Revenue Comparison



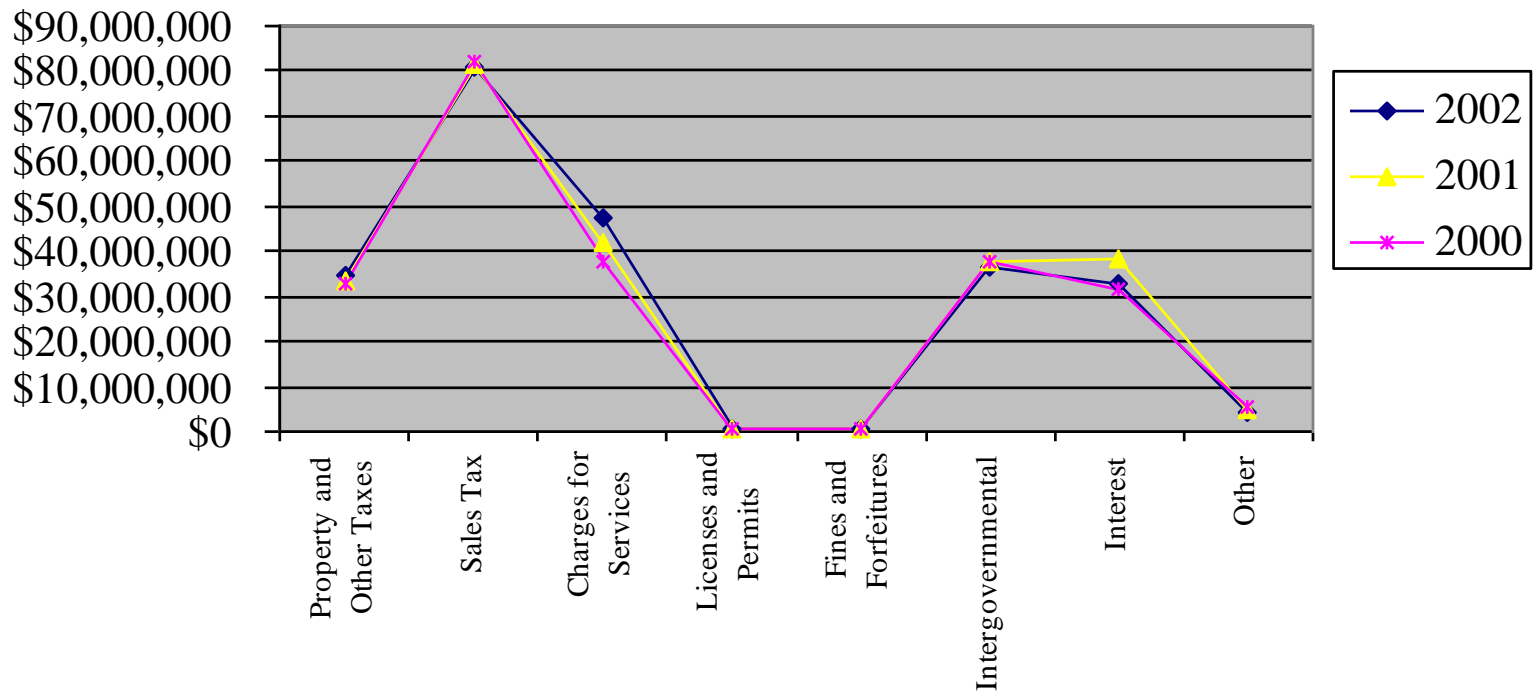
Cuyahoga County

Cuyahoga County



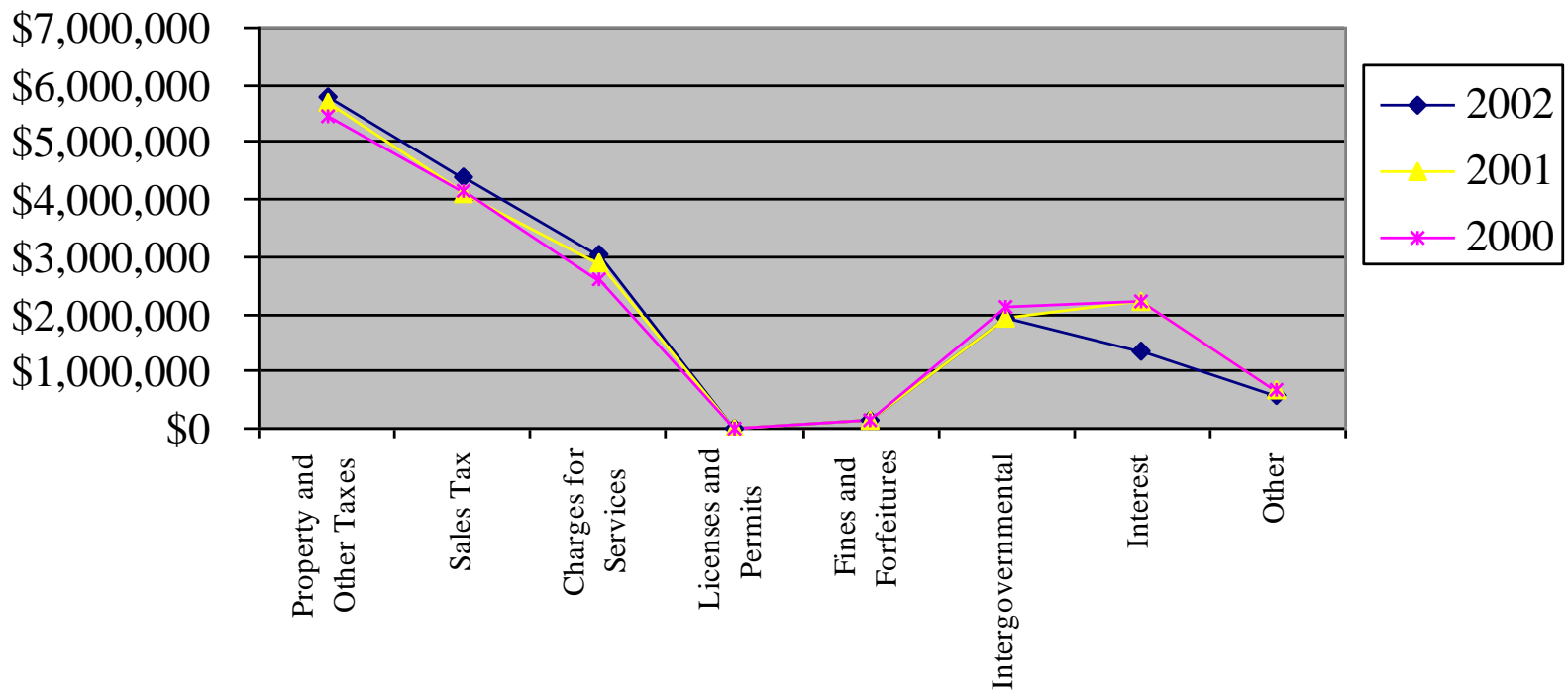
Franklin County

Franklin County



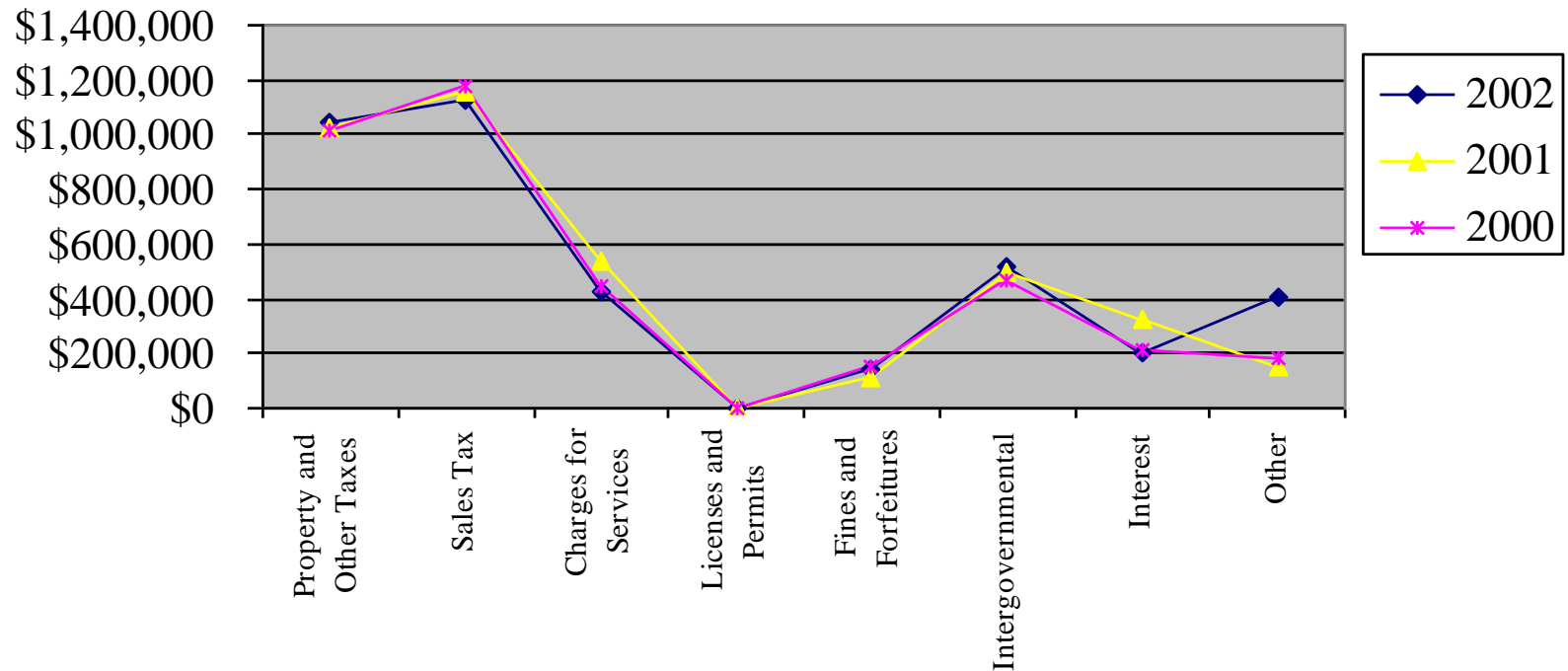
Geauga County

Geauga County



Meigs County

Meigs County



Questions....



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