

Revenue Distribution Funds

Role and Overview

Revenue Distribution Funds (RDF) are funds used by the state to collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states, pursuant to law.

Although each of the 23 revenue distribution funds is administered by a state agency, the funds are not shown in the Executive Budget as part of the administering agencies' budgets. These moneys are not spent by state agencies on state operations, but are distributed by the administering agencies as specified in state law. The funds are shown together, here, in order to highlight the role they play in this redistribution function of state government. Most of the moneys are distributed to local units of government, including counties, municipalities, libraries, school districts, and transit authorities. As the following Item Summary table shows, the funds are broken into four fund groups: Revenue Distribution Funds, Agency Funds, Holding Account Redistribution Funds, and Volunteer Firemen's Dependents Fund. The two largest fund groups are Agency Funds and Revenue Distribution Funds.

Agency Fund Group

Agency Funds account for revenues collected and held by the state as custodian or agent. Ultimately, the money is distributed to local units of government where the revenues originated or to other state funds. The largest of these funds is Fund 7063, the Permissive Tax Distribution Fund. Counties and transit authorities are authorized to levy the permissive sales and use tax in addition to the state sales and use tax for certain purposes. As of January 2013, all counties levied the permissive sales tax and eight counties levied a sales tax for transit purposes. The counties are also granted authority to enact permissive taxes on alcoholic beverages and on cigarettes for designated purposes. The Permissive Tax Distribution Fund holds county and transit authority permissive tax collections prior to their distribution to local authorities of origin.

Fund 7067, the School District Income Tax Fund, holds school district income tax collections until they are distributed to the districts of origin. According to the Department of Taxation, as of January 2013 there were 184 school districts levying a school district income tax. Fund 6080, the Investment Earnings Fund, is used to receive investment earnings from the State Treasurer's investment pool and distribute them to the appropriate state funds, including the General Revenue Fund.

Fund 7099, Permissive Auto Registration Fund, is a new fund and will hold a portion of revenue collected in Fund 7051, Auto Registration Fund from the motor vehicle license tax. Previously, these moneys were held in Fund 7051, Auto Registration Distribution Fund. To provide a more accurate accounting of the receipt and distribution of these fees, the local permissive portion of the fees will now be credited to Fund 7099.

The following three casino funds (out of eleven that were established through House Bill 519 enacted by the 128th General Assembly and House Bill 487 enacted by 129th General Assembly (Ohio Revised Code 5703.052 (A) and 5753.03)) to receive the tax on gross casino revenue are included under Agency Fund Group in Revenue Distribution Fund from fiscal year 2012.

Fund 5JG0 Gross Casino Revenue County Fund: Will receive 51 percent of tax on gross casino revenue to be distributed among all counties in proportion to such counties' respective populations at the time of such distribution.

Fund 5JH0 Gross Casino Revenue County Student Fund: Will receive 34 percent of tax on gross casino revenue to be distributed among all counties in proportion to such counties' respective public school district student populations at the time of such distribution.

Fund 5JJ0 Gross Casino Revenue Host City Fund: Will receive five percent of tax on gross casino revenue to be distributed to the host city where the casino is located.

Revenue Distribution Fund Group

Revenue Distribution Funds receive the shares of taxes and fees to be distributed to local units of government, other state funds, or other organizations. Funds 7065 and 7069 are notable examples of these funds. These two funds have distribute to local units of government and libraries more than \$700 million annually from the shares of the state's major tax sources as specified in law.

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Under current law adopted in House Bill 153 of the 129th General Assembly, from July 2012 through June 2013 the Local Government Fund (Fund 7069) receives 50 percent of the amount distributed in the same month of fiscal year 2011. Thereafter, the percentage is calculated based on total GRF tax receipts and amount distributed in fiscal year 2013. These moneys are distributed by the Department of Taxation to counties and municipalities and then further distributed by the county based on an agreement among the local units of government within each county.

Under current law the Public Library Fund (Fund 7065) receives from August 2011 through June 2013 95 percent of the amount distributed in the same month of fiscal year 2011. Thereafter, the percentage is calculated based on total GRF tax receipts and amount distributed in fiscal year 2013. These moneys are distributed by the Department of Taxation to counties and then further distributed by the counties to libraries and municipalities within each county.

The Local Government Property Tax Replacement Fund (Fund 7054) receives three percent of the Kilowatt Hour Tax. The moneys are distributed by the Department of Taxation to local authorities to compensate for their revenue losses due to reduced tax assessment rates for gas and electric utility properties.

The Local Government Tangible Personal Property Tax Replacement Fund (Fund 7081) receives 15 percent of the Commercial Activity Tax. The moneys are then distributed to local governments to compensate for their tax revenue losses due to the phase-out of the tangible personal property tax. After such distributions are made, the director of the Office of Budget and Management is authorized to transfer the balance of this fund to the General Revenue Fund in the end of the fiscal year.

Funds 7051, 7060, and 7068 distribute moneys every month to counties, municipal corporations, townships, other districts, or other funds, for construction and maintenance of public highways and roads, and for other related activities. The Auto Registration Distribution Fund (Fund 7051) collects revenues from the motor vehicle license tax. Both the Gasoline Excise Tax Fund (Fund 7060) and the State/Local Government Highway Distribution Fund (Fund 7068) receive some portion of the levies in the motor vehicle fuel tax.

The Ohio Registrar of Motor Vehicles is a member in a reciprocal registration agreement known as the International Registration Plan (IRP). The International Registration Plan Distribution Fund (Fund 7050) collects the IRP registration fees based on gross vehicle weight and motor fuel surcharge for vehicles subject to IRP. The moneys in the fund are distributed to the other member states of the IRP, the Highway Obligation Bond Retirement Fund, and to local governments.

Holding Account Redistribution Fund Group

The International Fuel Tax Distribution Fund (Fund R045) holds motor vehicle fuel use tax payments until they are distributed to other funds in Ohio and to other jurisdictions. The federal government requires all states to join the International Fuel Tax Agreement or the states lose the right to levy a motor vehicle fuel use tax. According to the agreement, trucking companies file the fuel use tax return in their home states and the home states then make payments to other jurisdictions and also collect tax owed from other jurisdictions.

Volunteer Firemen's Dependents Fund

The fund 7085 collects premiums from each political subdivision or fire district that maintains a volunteer fire department. The revenues are used to pay benefits to disabled firefighters, the firefighter's surviving spouse, and dependent children.

More information regarding the Revenue Distribution Funds is available at <http://www.ohio.gov/government/state/>.

Agency Priorities

- Provide a source of support for local governments and libraries by committing a set amount from revenues deposited into the General Revenue Fund.
- Collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states and provinces.

Funding Recommendation for 2014 and 2015

- All Funds: Funding for fiscal year 2014 is \$4.8 billion (or a 2.1% increase from fiscal year 2013). Funding for fiscal year 2015 is \$4.9 billion (or a 2.2% increase from fiscal year 2014).

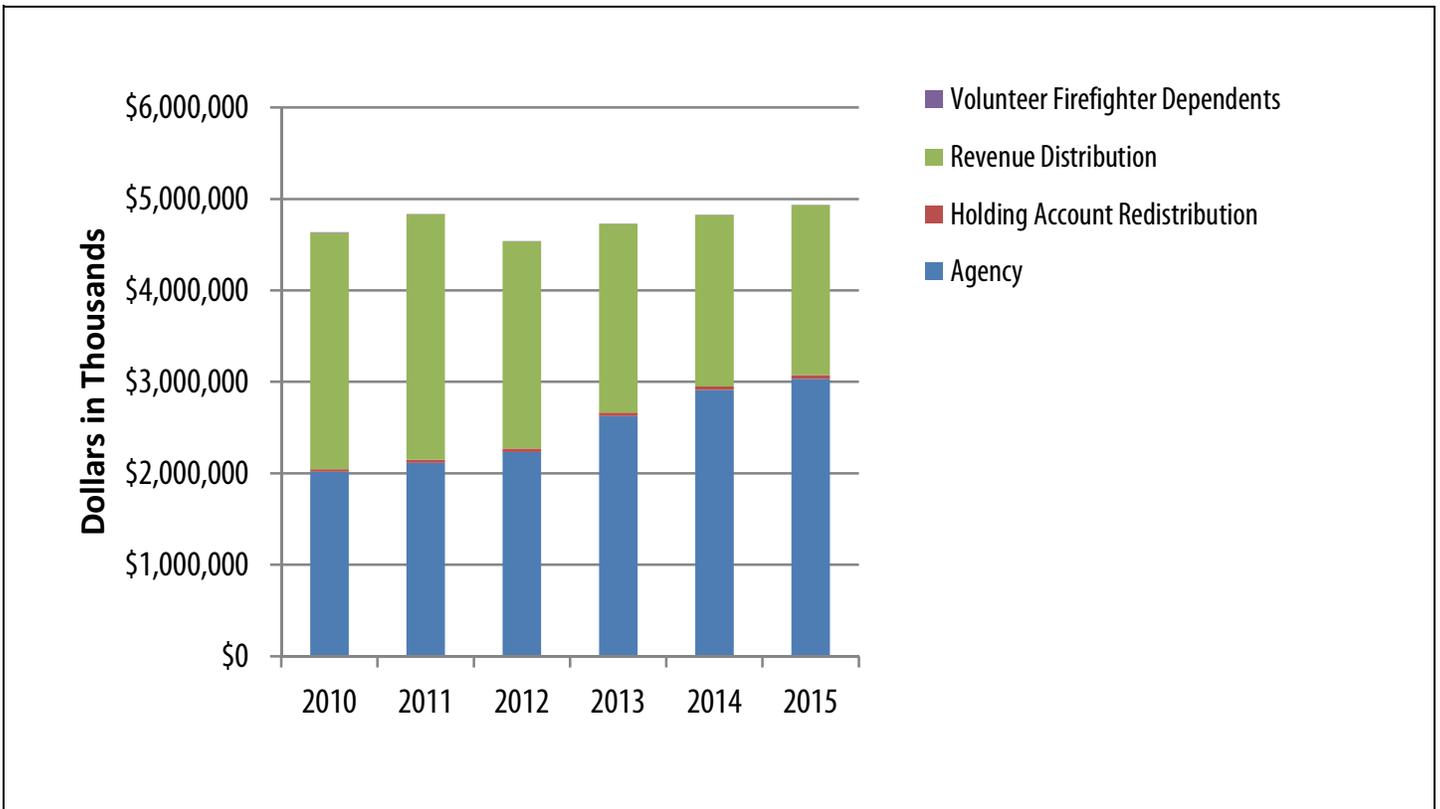
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The Executive Recommendation will fund the following objectives:

- Provide appropriations to make distributions of funds collected on behalf of or allocated to support school districts, units of local government, and other entities.

Revenue Distribution Funds

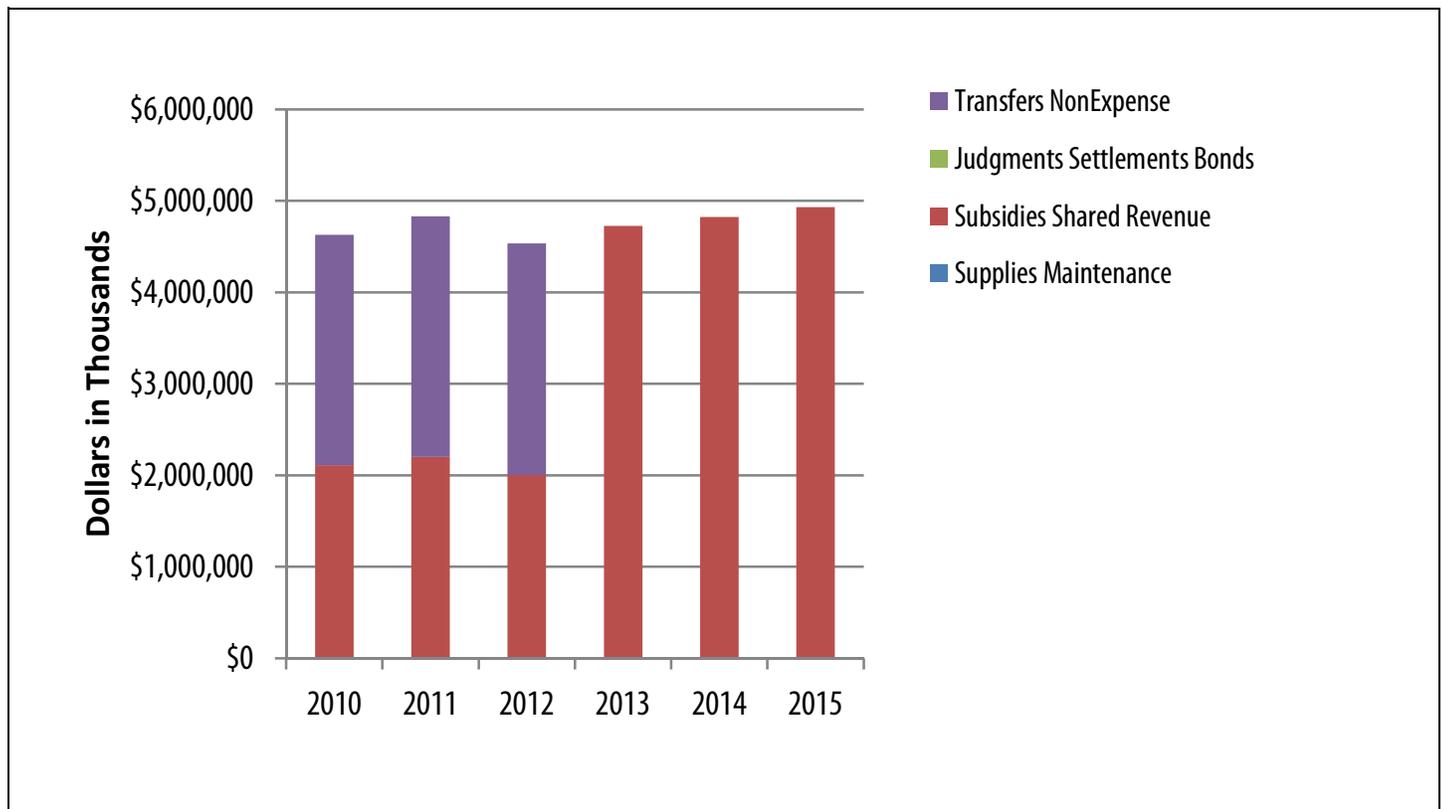
Budget Fund Group Information



(in Thousands) Budget Fund Group	Actual			Est.	% Change	Recommended			
	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
Agency	2,015,259	2,112,998	2,230,884	2,623,618	17.6%	2,909,934	10.9%	3,032,709	4.2%
Holding Account Redistribution	30,138	34,464	40,422	40,000	-1.0%	40,000	0.0%	40,000	0.0%
Revenue Distribution	2,585,333	2,682,561	2,263,853	2,062,800	-8.9%	1,873,899	-9.2%	1,857,799	-0.9%
Volunteer Firefighter Dependents	232	223	237	300	26.7%	300	0.0%	300	0.0%
Total	4,630,962	4,830,246	4,535,396	4,726,718	4.2%	4,824,133	2.1%	4,930,808	2.2%

Revenue Distribution Funds

Expense Account Category Information



(in Thousands)	Actual			Est.	% Change	Recommended			
Expense Account Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
Supplies & Maintenance	139	133	131	0	-100.0%	0	0.0%	0	0.0%
Subsidies & Shared Revenue	2,110,489	2,200,071	2,001,098	4,726,718	136.2%	4,824,133	2.1%	4,930,808	2.2%
Judgments, Settlements, & Bonds	3	0	0	0	-100.0%	0	0.0%	0	0.0%
Transfers & Non-Expense	2,520,332	2,630,043	2,534,167	0	-100.0%	0	0.0%	0	0.0%
Total	4,630,962	4,830,246	4,535,396	4,726,718	4.2%	4,824,133	2.1%	4,930,808	2.2%

Program Series 1: Revenue Distribution (163A0)

Revenue Distribution Funds are funds used by the state to collect and distribute moneys to local governments and organizations, school districts, libraries, transit authorities, other state funds, and other states, pursuant to law. This program series consists of one program Revenue Distribution (163B1).

Fund	ALI	ALI Name	Estimated		% Change	Recommended	
			FY 2013	FY 2014		FY 2015	% Change
4P80	1698	Cash Management Improvement Fund	3,100,000	3,100,000	0.0%	3,100,000	0.0%
5JG0	110633	Gross Casino Revenue County Fund	89,996,921	158,005,325	75.6%	168,977,942	6.9%
5JH0	110634	Gross Casino Revenue County Student Fund	59,997,947	105,336,883	75.6%	112,651,961	6.9%
5JJ0	110636	Gross Casino Revenue Host City Fund	8,823,228	15,490,718	75.6%	16,566,465	6.9%
6080	1699	Investment Earnings	150,000,000	30,000,000	-80.0%	30,000,000	0.0%
7062	110962	Resort Area Excise Tax	1,000,000	1,000,000	0.0%	1,000,000	0.0%
7063	110963	Permissive Tax Distribution	1,980,700,000	2,066,331,400	4.3%	2,151,135,100	4.1%
7067	110967	School District Income Tax	330,000,000	346,669,300	5.1%	365,277,800	5.4%
7099	762902	Permissive Tax Distribution - Auto Registration	0	184,000,000	0.0%	184,000,000	0.0%
7049	335900	Indigent Drivers Alcohol Treatment	2,200,000	2,250,000	2.3%	2,250,000	0.0%
7050	762900	Intl Registration Plan Dist	30,000,000	30,000,000	0.0%	30,000,000	0.0%
7051	762901	Auto Registration Distribution	539,000,000	360,000,000	-33.2%	360,000,000	0.0%
7054	110954	Local Government Property Tax Replacement-Utility	11,000,000	5,649,000	-48.6%	5,649,000	0.0%

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Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
7060	110960	Gasoline Excise Tax	395,000,000	395,000,000	0.0%	395,000,000	0.0%
7065	110965	Public Library	345,000,000	359,300,000	4.1%	369,000,000	2.7%
7066	800966	Undivided Liquor Permits	14,100,000	14,100,000	0.0%	14,100,000	0.0%
7068	110968	State and Local Government Highway Distribution	196,000,000	196,000,000	0.0%	196,000,000	0.0%
7069	110969	Local Government	348,000,000	363,600,000	4.5%	376,400,000	3.5%
7081	110981	Local Government Property Tax Replacement-Business	181,000,000	146,500,000	-19.1%	107,900,000	-26.3%
7082	110982	Horse Racing Tax	100,000	100,000	0.0%	100,000	0.0%
7083	700900	Ohio Fairs Fund	1,400,000	1,400,000	0.0%	1,400,000	0.0%
7085	800985	Volunteer Firemens' Dependents Fund	300,000	300,000	0.0%	300,000	0.0%
R045	110617	International Fuel Tax Distribution	40,000,000	40,000,000	0.0%	40,000,000	0.0%
Total for Revenue Distribution			4,726,718,096	4,824,132,626	2.1%	4,930,808,268	2.2%

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Revenue Distribution Funds – Detailed Budgetary Classification

While all of the following funds appropriated under Revenue Distribution Funds (RDF), not all fall within the Revenue Distribution Fund Group as several funds are categorized as either Agency funds or Holding Accounts. Additionally, even within the Revenue Distribution Fund Group itself, individual funds are supported by various revenue sources and have different restrictions accompanying their uses. For example, while the Local Government Fund is an RDF that supports general revenue sharing with units of local government with the use of those funds largely unrestricted, the Gasoline Excise Tax Fund (7060) is an RDF that distributes motor fuel tax proceeds with the usage of those funds tightly restricted. Due to these difference and in order to provide greater clarity of those funds making up Revenue Distribution Fund appropriations, funds are divided into these four categories: 1) Revenue Distribution Funds – General, which are those funds for which receipts are distributed for general purposes either internally or to units of local government and whose distribution may be modified by statute; 2) Revenue Distribution Funds – Highway, whose revenue source and use are restricted; 3) Revenue Distribution Funds – Other which are those RDF's that distribute moneys that are neither general nor specific for highway purposes; and 4) Agency Funds which are those funds that the state has now discretion other than to distribute the moneys collected to units of local government, school districts, or other entities.

Revenue Distribution Funds - Detailed Budgetary Fund Classification			
Classification	Fund Code	Fund Title	Fund Group
RDF - General	7049	INDIGENT DRIVERS ALCOHOL TREAT	RDF
RDF - General	7054	LOC GOVT PROP TAX REPLACEMENT	RDF
RDF - General	7065	LIBRARY & LOCAL GOVT SUPPORT	RDF
RDF - General	7066	UNDIVIDED LIQUOR PERMIT	RDF
RDF - General	7069	LOCAL GOVERNMENT	RDF
RDF - General	7081	LCL GOVT TANG PROP TAX RPL-BUS	RDF
RDF - Highway	7050	INTL REGTR PLAN DISTRIBUTION	RDF
RDF - Highway	7051	AUTO REGISTRATION DISTRIBUTION*	RDF
RDF - Highway	7060	GASOLINE EXCISE TAX	RDF
RDF - Highway	7068	ST & LOCAL GOV HIGHWAY DISTRIB	RDF
RDF - Highway	R045	INTERNATL FUEL TAX DISTRIBUTN	RDF
RDF - Other	7082	HORSE RACING TAX	RDF
RDF - Other	7083	OHIO FAIRS	RDF
RDF - Other	7085	VOLUNTEER FIRE FIGHTERS' DEPEN	90
Agency	4P80	CASH MANAGEMENT IMPROVEMENT	AGY
Agency	5JG0	GROSS CASINO REVENUE COUNTY	AGY
Agency	5JH0	GRO. CASINO REV. COUNTY STUDNT	AGY
Agency	5JJ0	GRO.CASINO REVENUE HOST CITY	AGY
Agency	6080	INVESTMENT EARNINGS REDISTRIB	AGY
Agency	7062	RESORT AREA EXCISE TAX	AGY
Agency	7063	PERMISSIVE TAX DISTRIBUTION	AGY
Agency	7067	SCHOOL DISTRICT INCOME TAX	AGY
Agency	7099	PERMISSIVE AUTO REGISTRATION DISTRIBUTION	AGY

Appropriation Line Item Analysis for Fiscal Years 2014 and 2015

Line Item Notes

ALI 038900, Indigent Drivers Alcohol Treatment; ALI 335900, Indigent Drivers Alcohol Treatment; ALI 038900 Indigent Drivers Alcohol Treatment is being merged with ALI 335900 with the same name in fiscal years 2013, 2014 and 2015. This change is being made as a result of consolidation of Ohio Department of Alcohol and Drug Addiction Services with Ohio Department of

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Mental Health.

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Fund	ALI	ALI Name	Actual			Estimated	Recommended			
			FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
4P80	001698	Cash Management Improvement Fund	0	0	0	3,100,000	3,100,000	0.0%	3,100,000	0.0%
5JG0	110633	Gross Casino Revenue County Fund	0	0	0	89,996,921	158,005,325	75.6%	168,977,942	6.9%
5JH0	110634	Gross Casino Revenue County Student Fund	0	0	0	59,997,947	105,336,883	75.6%	112,651,961	6.9%
5JJ0	110636	Gross Casino Revenue Host City Fund	0	0	0	8,823,228	15,490,718	75.6%	16,566,465	6.9%
6080	001699	Investment Earnings	0	0	0	150,000,000	30,000,000	-80.0%	30,000,000	0.0%
7062	110962	Resort Area Excise Tax	842,246	805,881	1,002,111	1,000,000	1,000,000	0.0%	1,000,000	0.0%
7063	110963	Permissive Tax Distribution	1,716,314,049	1,801,089,506	1,893,335,506	1,980,700,000	2,066,331,400	4.3%	2,151,135,100	4.1%
7067	110967	School District Income Tax	298,102,753	311,103,024	336,546,812	330,000,000	346,669,300	5.1%	365,277,800	5.4%
7099	762902	Permissive Tax Distribution - Auto Registration	0	0	0	0	184,000,000	0.0%	184,000,000	0.0%
Total Agency			2,015,259,048	2,112,998,411	2,230,884,429	2,623,618,096	2,909,933,626	10.9%	3,032,709,268	4.2%
R045	110617	International Fuel Tax Distribution	30,138,412	34,463,754	40,422,399	40,000,000	40,000,000	0.0%	40,000,000	0.0%
Total Holding Account Redistribution			30,138,412	34,463,754	40,422,399	40,000,000	40,000,000	0.0%	40,000,000	0.0%
7049	335900	Indigent Drivers Alcohol Treatment	1,830,837	1,804,291	2,050,650	2,200,000	2,250,000	2.3%	2,250,000	0.0%
7050	762900	Intl Registration Plan Dist	0	0	0	30,000,000	30,000,000	0.0%	30,000,000	0.0%
7051	762901	Auto Registration Distribution	461,181,092	466,106,719	473,899,085	539,000,000	360,000,000	-33.2%	360,000,000	0.0%
7054	110954	Local Government Property Tax Replacement-Utility	84,531,759	81,282,036	12,428,556	11,000,000	5,649,000	-48.6%	5,649,000	0.0%
7060	110960	Gasoline Excise Tax	381,098,704	385,397,089	364,527,675	395,000,000	395,000,000	0.0%	395,000,000	0.0%
7065	110965	Public Library	340,617,890	367,596,036	352,167,638	345,000,000	359,300,000	4.1%	369,000,000	2.7%
7066	800966	Undivided Liquor Permits	13,915,872	13,946,759	14,318,961	14,100,000	14,100,000	0.0%	14,100,000	0.0%
7068	110968	State and Local Government Highway Distribution	184,962,714	189,202,603	187,275,297	196,000,000	196,000,000	0.0%	196,000,000	0.0%
7069	110969	Local Government	641,794,520	694,441,455	594,483,565	348,000,000	363,600,000	4.5%	376,400,000	3.5%
7081	110981	Local Government Property Tax Replacement-Business	473,918,184	481,551,525	261,500,518	181,000,000	146,500,000	-19.1%	107,900,000	-26.3%
7082	110982	Horse Racing Tax	80,104	78,739	71,454	100,000	100,000	0.0%	100,000	0.0%
7083	700900	Ohio Fairs Fund	1,401,505	1,154,000	1,129,171	1,400,000	1,400,000	0.0%	1,400,000	0.0%
Total Revenue Distribution			2,585,333,181	2,682,561,252	2,263,852,570	2,062,800,000	1,873,899,000	-9.2%	1,857,799,000	-0.9%
7085	800985	Volunteer Firemens' Dependents Fund	231,775	223,000	236,750	300,000	300,000	0.0%	300,000	0.0%
Total Volunteer Firefighter Dependents			231,775	223,000	236,750	300,000	300,000	0.0%	300,000	0.0%
Grand Total Revenue Distribution Funds			4,630,962,416	4,830,246,417	4,535,396,148	4,726,718,096	4,824,132,626	2.1%	4,930,808,268	2.2%