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State Budget Update

HB 33

(June 16, 2023)

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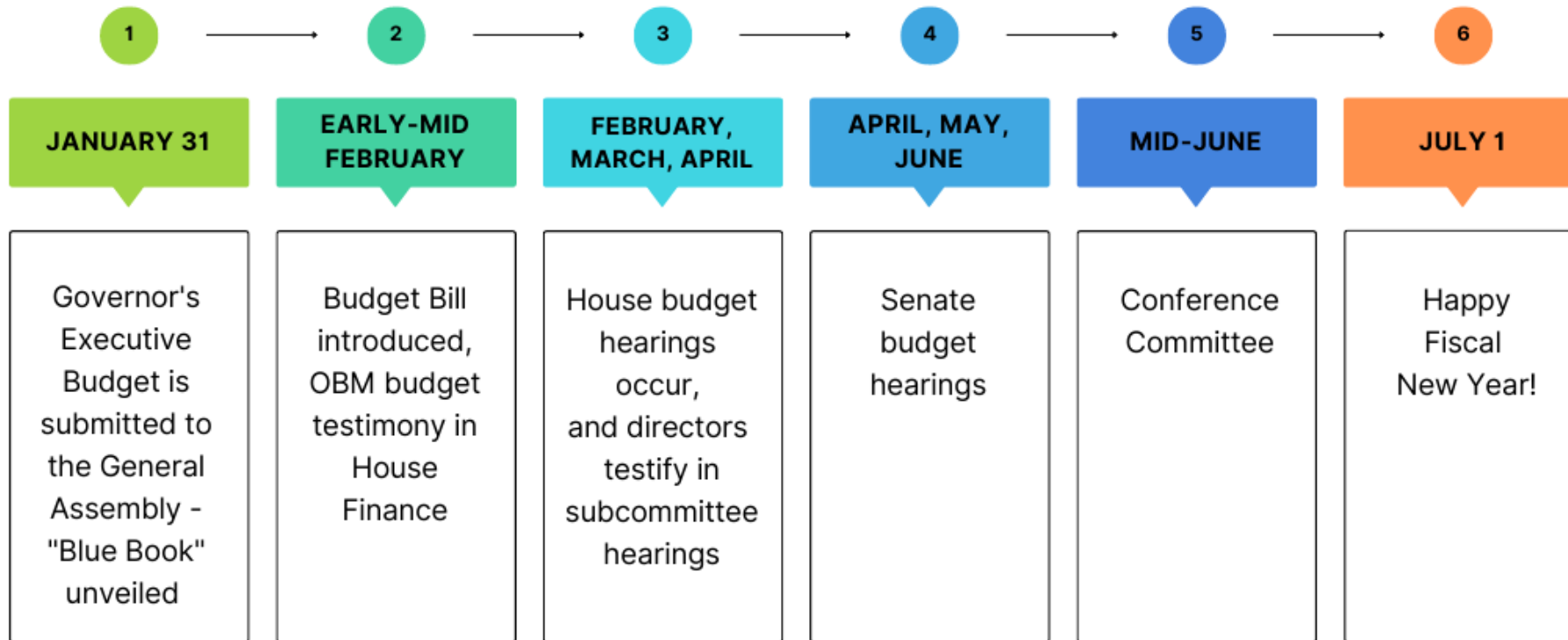
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Overview

- Budget Bill - HB 33 As Passed by the Senate
- OLC Talking Points
- Next Steps
- Questions



State Budget Timeline



Public Library Fund (PLF) - Commitment to Ohio's public libraries

- Funding at new statutory levels in FY 2024 and FY 2025
 - 1.70% (permanent law)
- OBM PLF distribution estimates:
 - FY 2023: \$492 million
 - FY 2024: \$505 million (2.6% increase)
 - FY 2025: \$530 million (5.0% increase)

Overview of changes made by the Senate in HB 33:

- Income Tax Changes
- Commercial Activities Tax (CAT) Changes
- Expanded Sales Tax Holiday
- Property tax sales-assessment ratio studies
- Replacement Levy Language Restored
- Removes Seed Library language
- Eliminates Study Committee on Local Property Taxes
- Increases library Competitive Bidding Threshold from \$50,000 to \$75,000 with an annual 3% increase after CY 2024

Tax Changes made by the Senate in HB 33:

- Income Tax Changes
 - TY23 consolidates two lowest brackets - 2.75%, reduces rate of highest bracket - 3.75%
 - TY24 consolidates top two brackets - 3.5%
 - PLF estimated loss - \$11m in FY24, \$15.5m in FY25
- Commercial Activities Tax (CAT) Changes
 - Reduction in PLF - \$3m in FY24, \$6m in FY25

Additional Tax Changes made by the Senate in HB 33:

- Expanded Sales Tax Holiday in Aug. 2024
 - Creates a \$1 billion sales tax holiday
 - Provides reimbursements paid to the PLF, LGF, and GRF for loss of revenue
- Property tax sales-assessment ratio studies
 - Directs the Tax Commissioner to use data comparing sales prices and county auditors' assessment info without giving greater weight to any one of the last three years.
 - Requires the Commissioner to reevaluate 2023 property tax values and recertify affected counties.

Other changes made by the Senate in HB 33:

- Replacement Levy Language Restored
- Removes Seed Library language
- Eliminates Study Committee on Local Property Taxes
- Increases library Competitive Bidding Threshold from \$50,000 to \$75,000
 - Annual 3% increase after CY 2024
 - Increases allowable difference between a project's estimate and the project's contract price from 10% to 20%

Overall, the PLF could be reduced by \$39 million:

- Income Tax Changes on PLF
 - \$11 million less in FY24
 - \$15.5 million less in FY25
- CAT Changes on PLF
 - \$3 million less in FY24
 - \$6 million less in FY25
- Welcome Home Ohio Program
 - \$1.7 million less each FY

PLF Talking points:

- Fund the Public Library Fund (PLF) in permanent law at a minimum of 1.70% of the total GRF.
- It is estimated that the proposed Income Tax changes and Commercial Activities Tax changes will indirectly reduce the PLF by almost \$39 million over the biennium.
- We are respectfully asking the General Assembly to increase the PLF to offset those reductions.

Facilities Funding Talking points:

- Provide facilities funding to public libraries for emergency needs and critical repairs.
- Unlike other local governments and schools, Ohio's public libraries did not receive direct federal funding through the American Rescue Plan Act (ARPA).
- We are respectfully asking the General Assembly to use the state's additional one-time funds to support public libraries with funding to address emergency needs and critical repairs for items such as roofs, elevators, HVAC systems, flooring and security systems.

OLC Resources and Tools

<http://libraryfunding.olc.org/>

- Advocacy Tools and Templates
- White Paper and Talking Points
- Statehouse Directory
- Webinar Recordings
- Testimony & News Updates
- ROI Calculator *recently updated
- Fact Sheets

Questions?

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