Ohio Library Council BOARD OF DIRECTORS

ITEM NO.: 5.E.1

SUBJECT: Government and Legal Services Report

MEETING DATE: May 17, 2024 SUBMITTED BY: Jay Smith

REPORT FOR INFORMATION

PLF Update

According to the Office of Budget and Management (OBM), state tax receipts came in below estimate again last month by \$224.4 million (– 8.4% below estimate for the month of April). OBM has indicated that the shortfall is related to higher-than-expected personal income tax refunds. In addition, the Commercial Activities Tax for April came in \$39.9 million below estimate. With two months left in Fiscal Year 2024, overall fiscal year-to-date state tax revenues are down by \$446 million (or - 1.9%).

The Ohio Department of Taxation (ODT) posted the May 2024 Public Library Fund (PLF) distribution of 42,174,542 – which is 3.9 million (or – 8.49%) below ODT's original estimate that was issued in July 2023; and 3.87 million (or – 8.42%) below ODT's updated estimate issued in December 2023.

Because state tax receipts have continually come in underestimate, the PLF is continuing to come in underestimate. For the first five months of this year, the PLF is now \$12 million below what was anticipated.

A look at the PLF distribution for the past three years and a link to an Excel spreadsheet listing each county's distribution total for May 2024 can be found on the <u>OLC website</u>.

Joint Committee on Property Tax Review and Reform

This joint legislative committee has continued to meet throughout the spring and hold hearings with invited testimony from a variety of stakeholders including county auditors, schools, county commissioners, townships trustees and mayors. Recently, Dr. Howard Fleeter offered testimony on behalf of the Ohio Education Policy Institute. OLC is expected to offer testimony on May 22. More will be discussed at the board meeting.

HB 344 - Replacement Levies

HB 344 is legislation introduced by Reps. Mathews (R-Lebanon) and Hall (R-Middletown) seeking to eliminate the authority of political subdivisions to levy replacement property tax levies beginning with elections held on or after Oct. 1, 2024. The rational for eliminating this option is to alleviate voter confusion over whether they are the same as a renewal levy. This provision was previously included in HB 33, as passed by the House, but taken out of the budget bill while being considered in the Senate. OLC provided testimony in opposition to HB 344 on January 23. Recently, the bill was voted out of the House Ways and Means Committee on a party line vote. More will be discussed at the board meeting.

HB 257 - Virtual Meetings Bill

HB 257 is legislation sponsored by Rep's Hoops (R-Napoleon) and Claggett (R-Newark) to provide certain public boards, including library boards, with the opportunity to have virtual meetings. Since its introduction a few amendments have been added to help clarify certain provisions of the bill. One of the changes includes a requirement for public bodies to define in their virtual meeting policy what would constitute a "major nonroutine expenditure" or "significant hiring decision," which are factors that can trigger a requirement to meet in person.

Another change requires a virtual meeting notification to be distributed 72 hours prior to the meeting with an agenda. Objections to agenda items must be sent to the president of the board at least 48 hours before the meeting. If two or more members or the board object to an agenda item, the issue can be discussed, but the public body cannot take action on that item during the virtual meeting. HB 257 was voted out of the House on Nov. 29 and is now being heard in the Senate Government Oversight Committee. Currently, trustees of library boards are still required to have their meetings in-person.

One-Time State Funding (OTSCIF)

OLC is attempting to reframe the conversation at the Statehouse on funding Ohio Public Library Facilities. Currently the Ohio Senate is considering what projects should be prioritized around the state in utilizing a portion of the \$700 million that was appropriated through last year's biennial budget. Earlier this year, the House passed HB 2 which is now before the Senate. More will be discussed at the Board Meeting.

OLC Library Legislative Day Wrap-Up

For being a non-budget year, this year's Library Legislative Day was a success on Wednesday, April 24 at the Sheraton on Capitol Square with over 200 library advocates attending. The property tax legislative panel discussion with Sen. Bill Blessing and Rep. Dan Troy provided attendees with some insight as to what the committee is discussing and where it's heading. Additionally, Steve Dackin, Director of the Ohio Department of Education and Workforce, was able to speak to attendees first thing in the morning about the importance of the Science of Reading. This event is only one step in our overall advocacy plan, and we need to keep the momentum going forward. This coming fall, we'll be busy laying the groundwork for next year's biennial budget through our "Road Ahead" tour around the state. Followed by the General Election in November and then the inevitable "Lame Duck" session.

Virtual Ballot Issues Workshop Scheduled for June 12

The OLC will host the **Ballot Issues Workshop** on Wed., June 12 from 9:45 a.m.– 2 p.m. This will be a virtual event. The workshop will provide all the elements needed to run a successful levy campaign in an environment that's making it harder to pass local levies.