



Lobbyists for Citizens

December 1, 2023

Representative Bill Roemer, Chair of Ways and Means Committee
Representative Brian Lorenx, Vice Chair
Representative Daniel P. Troy, Ranking Member

Re: Local Government Funds – Alternate or Statutory Formula
Role of the Budget Commission in County Government

To All Members of the Ways and Means Committee:

Lake County's Budget Commission finds itself in quite a dilemma at the expense of the Lake County taxpayers.

We have discovered that the financial interests of the Lake County taxpayers are not considered by the Lake County Budget Commission as required by the Ohio Revised Code sections 5705.27, 5704.34, 5705.31.

From a 2019 presentation by the Auditor of the State of Ohio, we find that the primary responsibilities of the Budget Commission are as follows:

1. Local Government Distribution based on locally approved formula.
2. Verify all tax levies are properly authorized and allocated (inside and outside millage).
3. Set the tax rates and millage.
4. Approve official and amended certificates.

ORC Section 5705.27 specifically states the role of the Budget Commission: "In adjusting the rates of taxation and fixing the amount of taxes to be levied each year...".

Lobbyists for Citizens interprets this to mean that the primary role of the Budget Commission is to ensure that excessive taxation is not taking place by the various taxing authorities in the County. In effect, the Budget Commission is the check and balance needed to protect the financial interests of the taxpayers from excessive taxation.

However, what we have found is that the Lake County Budget Commission is merely a "rubber stamp" for the taxing authorities in Lake County because of a ruling by the County Prosecutor prohibiting the Budget Commission from reducing property taxes collected from the Outside Millage. This ruling has allowed tens of millions of dollars in property taxes to be accumulated in the various taxing authorities' "rainy day funds" at the detriment of the Lake County taxpayers.

We have attached a February 6, 2023, memorandum written by Mr. Charles Coulson, Lake County's Prosecuting Attorney, expressing his ruling on the authority of the Budget Commission to reduce levies approved by voters.

This ruling is not uniformly accepted by County Auditors throughout the State of Ohio. This does not mean that Mr. Coulson is incorrect, but rather illustrates confusion that needs to be addressed by the State legislators.



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The second problem with the Lake County Budget Commission deals with the distribution of the Local Government Funds. The Lake County Prosecutor has issued an opinion (copy enclosed) that the Alternate Formula currently being used to distribute the Local Government Funds has been invalid since 1982, and the Statutory Method should be used. A copy of the Prosecutor's ruling is enclosed. To date, the Budget Commission continues to use the Alternate Formula, thereby contradicting the Prosecutor's directive.

Unfortunately, State of Ohio County officials have differing opinions on how the Budget Commission is supposed to discharge their duties under the Ohio Revised Code. The statutory language creating the Budget Commission needs, in our opinion, to:

1. Explicitly enumerate the powers and authorities of the County's Budget Commission over the property tax revenue collected by either inside or outside millage by the taxing authorities in their County.
2. No member of the Budget Commission should have either a direct or indirect interest, or relationship in any taxing authority in the County. (Lake County Prosecutor Coulson is the legal representative for the Lake County Board of Developmentally Disabled, a taxing authority in Lake County.)
3. Mandate that the County Budget Commission shall have two (2) citizens, not currently holding a position of employment in the County government or with a taxing authority controlled by the Budget Commission.
4. Ensure that the members of the Budget Commission are entitled to legal protection by the County Prosecutor if the taxing authority decides to file a lawsuit against the Budget Commission members either as part of the Commission or individually.
5. Establish rules or guidelines for the appropriate retainage of excess property taxes for each taxing authority.

Respectfully submitted,

Brian Massie
Executive Director

Cc: Lake County Prosecutor
Lake County Auditor
Lake County Treasurer
Lake County Commissioners
State Representative Jamie Callender
State Senator Jerry Cirino